

# ST. MICHAELS UTILITIES COMMISSION

ST. MICHAELS, MARYLAND 21663

December 16, 1982

Mrs. Irene R. Daffin, President  
Commissioners of St. Michaels  
P. O. Box 206  
St. Michaels, Maryland 21663

Dear Irene:

One of the duties of the St. Michaels Utilities Commission, according to Article XI, Section 3 of the Town Charter, is to provide financial advice to the Commissioners of St. Michaels for investment of revenues from any sale, lease or conveyance of the Town's electric generation and/or distribution facilities.

At present, the sinking fund monies, in the total amount of \$66,757.87, are invested in a Savings Certificate and a Certificate of Deposit. These investments will mature on December 20, 1982.

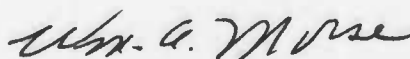
At our December meeting it was unanimously decided that we recommend putting the funds into the new Maryland National Bank Growth Fund Account. This fund is presently paying 10% interest, and is compounded daily. Rates for the fund are adjusted on a weekly basis.

Our recommendation is based on three points:

1. The fund is insured up to \$100,000 by the FDIC.
2. The fund is easily accessible. There is no early withdrawal penalty, therefore if more attractive rates become available elsewhere, you are free to move the funds immediately.
3. The rate is  $2\frac{1}{2}\%$  more than the St. Michaels Bank is offering.

If you care to discuss this further with us, we would be happy to meet with you.

Sincerely,



William A. Morse, Vice President  
ST. MICHAELS UTILITIES COMMISSION

WAM/m

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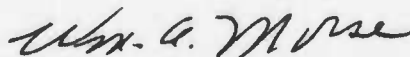
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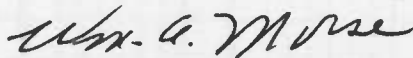
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William A. Morse, Vice President  
ST. MICHAELS UTILITIES COMMISSION

WAM/m

# Breakdown of Electric Bills

## Fiscal Year Ending 6/30/83

1	2	3	4	5	6	7	
Date	UNMETERED STREET LITES KWH	COST	METERED STREET LIGHTS KWH	COST	OTHER BUILDINGS KWH	COST	
7-82	17330	206160	776	10282	4270	50718	1
8-82	17379	206775	700	9423	12559	175759	2
9-82	17400	207039	724	9694	8982	93042	3
10-82	17400	207039	847	10757	6682	74079	4
11-82	17400	207039	990	13759	12264	117751	5
12-82	17400	207498	3369	39841	14787	134771	6
1-83	17400	209351	1182	18092	12431	137575	7
2-83	17400	209351	793	10336	15127	145688	8
3-83	17400	209314	819	10595	13897	126343	9
4-83	17400	208781	749	9837	12356	113417	10
5-83	17400	208781	674	9266	11670	111194	11
6-83	17400	208781	603	8459	6416	84823	12
TOTALS	208,709	2495909	12226	160341	131,441	13,65160	14
AUG. COST PER KWH							17
UNMETERED ST. LTS	2495909-						18
METERED LIGHTS	160341			13¢			19
OTHER ACCOUNTS	1365160			10¢			20
	4021410						21
AUG. BILLS							24
UNMETERED ST. LTS	208761	17400 KWH					25
METERED " "	9288	676 KWH					26
OTHERS	147627	16059 KWH					27
	365676						29
UNMETERED LIGHTS -							33
2	(400 W) B	22,500 L					34
38	(400 W) A	22,500 L					35
160	(175 W) A	8600 L					36
200							38



# The Commissioners of Saint Michaels

P. O. BOX 206

ST. MICHAELS, MARYLAND 21663-0206

SETTLED 1670-80  
INCORPORATED 1804

745-9535

February 2, 1984

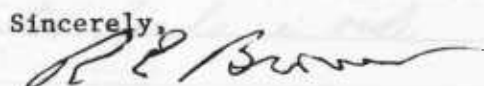
Mr. Ralph A. Simmons  
Rt. 1, Box 621  
St. Michaels, Md. 21663

Dear Ralph:

On behalf of The Commissioners and the citizens of St. Michaels I want to thank you for your service as a member of the St. Michaels Utilities Commission. You were a valuable member of this commission and will be missed. The citizens and the Town benefit by the service of people like yourself. We are sorry your moving out of town prevents you from continuing to serve as a member of the Utilities Commission.

Thank again for your service.

Sincerely,



Richard E. Brown, President  
The Commissioners of St. Michaels

REB/pke

## Major Improvements

9-25-83

- (A) Completed 336.4 feeder between St. Michaels & Easton.
- (B) Completed Submarine Cable project - New Mike River Bridge.
- (C) Completed major switching on RT. 33 feeder.
- (D) Installed 3-ph. Voltage Regulating on RT. 370 - M.R. Neck.  
This will serve as back up in case Bloomfield Sub-Station has major break-down. All customers now being served out of Bloomfield Sub would be fed from Grace St. Sub-Station in St. Michaels.  
There is ample capacity to switch loads in order to maintain service to St. Michaels based customers.
- (E) There is money budgeted for completing the loop feed system in Martingham. This has been badly needed in order to firm up and provide more dependable service to the customers in the Sub-Division. "Planned for 1984"
- (F) RT. 370 - M.R. Neck Feeder - Complete re-build.

## MAJOR IMPROVEMENTS

1. Completed 336.4 feeder between St. Michaels and Easton
2. Completed submarine cable project: new Miles River Bridge
3. Completed major switching on Route 33 feeder
4. Installed 3-phase voltage regulating on Route 370, Miles River Neck. This will serve as backup in case Bloomfield Substation has major breakdown. All customers now being served out of Bloomfield Substation would be fed from Grace Street Substation in St. Michaels. There is ample capacity to switch loads in order to maintain service to St. Michaels customers.
5. There is money budgeted for completing the loop feed system in Martingham. This has been badly needed in order to firm up and provide more dependable service to the customers in the subdivision planned in 1984. (Perry Cabin?)
6. Route 370/Miles River Neck feeder: complete rebuild.

m109-6

DIRECTORS  
MINUTES

# DIRECTORS MINUTES

Minutes of a meeting of the of  
held at  
on the day of A. D. 19 at o'clock  
M., pursuant to

1. Called to order by the President.
2. Determination of a quorum.
3. Reading of minutes of previous meeting, and their approval.
4. Reports of Officers.
5. Reports of Committees.
6. Discussion of Communications.
7. Discussion of Unfinished Business.
8. Discussion of New Business.
9. Adjournment.

JANUARY 23, 1980

All members were present at the meeting of the St. Michaels Utilities Commission, held on Wednesday, January 23, 1980.

The minutes of the December meeting were approved as read.

Motion was made by Mr. Mowbray, seconded by Mr. Morse, and duly passed to elect Alex J. Spencer as President of the Board for the coming year. Mr. Spencer was reappointed by the Town Commissioners for a term of three years, beginning January 1, 1980.

Franklin R. Kilmon was appointed to serve as Manager, and Roberta H. Marshall was appointed Secretary-Treasurer.

Mr. Spencer reported that he and Mr. Kilmon met with William Adams, Supervisor of Resale Services for Delmarva Power, on the fourth of January. Mr. Adams regretted that due to the Corps of Engineers permits, etc., there is nothing that can be done to provide for St. Michaels to share use of the new poles that Delmarva plans to install across Oak Creek. He did state that Delmarva will cut off the tops of the existing poles to adjust them to St. Michaels' height, and their engineers will replace Delmarva's guys with extra guys which will be relocated for the shorter height. There will be no cost to St. Michaels for these changes.

There was discussion about the Bozman Substation site. It was decided that a meeting with Delmarva officials will be set up in the near future to discuss costs and other details for supplying electricity to the Utilities' part of the property.

Financial reports for the year ended December 31, 1979, were distributed, as well as a study on other data pertaining to the operation of the Utilities. The Commissioners will review these reports at the February meeting, after they have had a chance to go over them thoroughly.

The Commissioners requested Mrs. Marshall to secure copies of the sections of the new town charter which concerns the Utilities.

Following a brief report on the progress of the rebate, the meeting was adjourned.

  
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Roberta H. Marshall, Secretary





FEBRUARY 27, 1980

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, February 27, 1980. Members present were Mr. Spencer, Mr. Mowbray, Mr. Morse, and Mrs. Marshall.

The minutes of the January meeting were approved as read.

The January financial statements were reviewed and discussed.

Since Mr. Kilmon was unable to be present at this meeting, Mr. Spencer submitted a report from him as follows:

Associated Regulatory Consultants have reported that their work is progressing as scheduled, and they expect to be ready for filing in early April.

Delmarva has announced that they will file with the Federal Energy Regulatory Commission in April for an increase in their wholesale rates to St. Michaels. A meeting will be held in Harrington, Del., on Feb. 29, and the commissioners agreed that St. Michaels must be represented. Mr. Spencer will check with Mr. Kilmon to make sure that he will be able to attend.

The electronic relay recloser at the Bloomfield Substation must be replaced. Mr. Kilmon has tried all over the East Coast, but has been unable to locate parts for the existing recloser. A new recloser can be purchased at a cost of \$8,500. Mrs. Marshall will check with Faw, Casson to see if this is classified as a repair or a capital expenditure, so that a letter can be written to the Town Commissioners for their permission if it is necessary.

Mr. Kilmon has requested permission to revise temporary service requirements. Decision on this will be delayed until the Commissioners can discuss it further with Mr. Kilmon.

There was discussion about the \$1,000 meter deposit that was required from Melissa Haddaway for the Blue Anchor. As previously stated to her, the account will be reviewed after the billing for the August consumption, and a portion of the deposit will be refunded if necessary.

The need for a replacement for Eleanora Cummings was brought to the attention of the Board. Applications have been received from several interested persons. A decision on this matter will be made later.

There was no further business, and the meeting was adjourned.

*Robert H. Marshall*

Robert H. Marshall, Secretary



MARCH 26, 1980

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, March 26, 1980. Those members present were Mr. Spencer, Mr. Mowbray, Mr. Kilmon, and Mrs. Marshall.

The minutes of the February meeting were read and approved.

The current financial statements were reviewed, and the increasing cost of fuel adjustment charges on Delmarva's bills to St. Michaels was discussed.

Mr. Kilmon attended the meeting in Harrington, Delaware, regarding Delmarva's next filing for a wholesale rate increase. He explained that it was very informal, and reported that information will be sent out later with facts and figures. Mr. Spencer stressed that we must remain fully informed about the increase, and must be prepared to do whatever we can to see that the increase is no more than necessary.

There was discussion about the requirements of temporary service for new construction. It was agreed that Mr. Kilmon must treat each case on its own merit, and do whatever possible to serve the customer while keeping costs to a minimum.

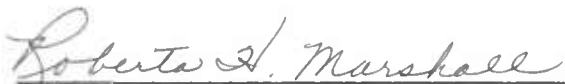
It is Faw, Casson's opinion that the recloser for the Bloomfield Substation is a capital expenditure. Mr. Kilmon will write a letter to the Town Commissioners requesting approval for its purchase.

Mrs. Marshall has submitted more information to the rate consultants, and they report that they are planning to file in early April. Mr. Kilmon was instructed to call them and be sure they are aware of the pending wholesale rate increase.

Mr. Kilmon brought up the need of bushhogging this spring. He was told to check the lines carefully, and do only the areas that are most in need. Weather conditions will prohibit the bushhogging until May or June, so it will be scheduled for that time.

Copies of applications for the vacancy in the office were presented to the commissioners for their perusal, but the matter was tabled until a later date.

There was no further business, and the meeting was adjourned.

  
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Roberta H. Marshall, Secretary



APRIL 23, 1980

All members were present at the regular meeting of the St. Michaels Utilities Commission, held on Wednesday, April 23, 1980.

The minutes of the March meeting were approved as read.

Mr. Kilmon reported that Mr. Bernstein, of Associated Regulatory Consultants, will be in St. Michaels early next week for a final briefing. It was decided that the services of David Mann will be requested if an attorney is required at the hearings.

The financial statements were reviewed and thoroughly discussed.

A letter was received from Delmarva, offering ownership participation in their coal-fired generating unit to be put in service in 1987. Since the cost would be prohibitive, no action was taken.

Mention was made of the note which is due on May 6 at Maryland National Bank. Since the entire balance of \$59,000 is due, Mr. Morse will see if it can be renewed and what the new interest rate will be. Mr. Spencer will contact the Town Commissioners regarding the note.

There has been no word from the Town on the purchase of the recloser for the Bloomfield Substation.

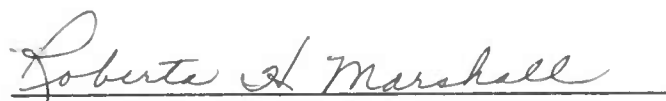
Mr. Kilmon will attend another Delmarva meeting in Harrington on April 28. At that time he expects to be fully informed on the amount of the pending rate increase, although Delmarva has not formally filed as yet. The Commissioners discussed the necessity of fighting the increase in every possible way.

Mr. Kilmon talked to the Board about the new Miles River Bridge, and the necessity of replacing the line across the river. He explained that the cost could possibly run as high as \$90,000, and added that, with the complex factors involved, he will require the services of a professional engineer. The Commissioners agreed that their first move will be to find out exactly what the State will do.

Debbie Hall has resigned, and requested sick leave for the two weeks she could not work prior to her effective date of resignation. Since it is not the policy of the Utilities to pay sick leave to part-time employees, motion was made by Fred Mowbray, seconded, and passed unanimously, not to pay the sick leave requested, but to give her a check for one week's severance pay.

After further discussion about the need for competent help, it was voted to hire Bonnie Hill for the vacancy in the office. Mr. Morse abstained from the vote.

There was no further business, and the meeting was adjourned.

  
Roberta H. Marshall, Secretary





MAY 28, 1980

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, May 28, 1980, with Mr. Spencer, Mr. Morse, Mr. Kilmon, and Mrs. Marshall in attendance.

The minutes of the April meeting were read and approved.

Earlier in the day, Mr. Spencer and Mr. Kilmon met with John H. Tucker, Utilities Engineer, State Highway Administration, to discuss the line across the new Miles River Bridge. Later in the afternoon, Mr. Tucker telephoned Mr. Kilmon to say that the State may be able to precast a place in the concrete for the conduit. Mr. Kilmon will send the Utilities specifications to the State engineers.

No customers attended the public hearing on Power Adjustment Charges, held at 10 a.m. in the Town board room. Mr. Kilmon reported that the large increase in Power Adjustment charges was discussed.

The Utilities Commission met with members of the Town Commission on May 7 to fully inform them of the filing for a rate increase.

The Public Service Commission accepted the new rates for filing on May 15. On May 21 the filing was suspended for 150 days. Public Service Commission auditors are here at the present time, checking the Utilities records. There was considerable discussion about the difficulties that Mr. Bernstein has had with the filing.

Delmarva has filed with the Federal Energy Regulatory Commission for an increase in wholesale rates. This will mean that St. Michaels customers will be faced with an approximate 15.8% increase, subject to rebate, to be effective in September. It was noted that the Maryland Public Service Commission has intervened in the case before F.E.R.C., stating that the increase will have an extraordinary economic impact on customers of the utilities who buy wholesale electricity from Delmarva.

Permission has been received from the Town Commissioners to replace the recloser at the Bloomfield Substation.

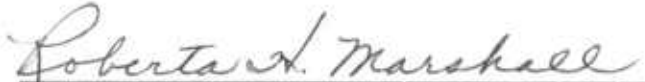
Mr. Kilmon reported that he has received a bill from Talbot County Sanitary District for damages they say were made by a Utilities pole. Mr. Kilmon noted that the pole in question was put in in 1978, to a depth of only about six feet, since our auger will not dig deeper than that. The sewer line was at a depth of 13 or 14 feet. A letter will be written to the Sanitary District, explaining these facts, and stating that to the best of our knowledge we cannot be responsible.

Mr. Spencer reported that he has talked to William Corkran of Easton Utilities about the new electric heat cells which are being

developed. Mr. Corkran has requested to meet with St. Michaels Utilities Commissioners in the near future to explain the heat cell operation.

Mr. Kilmon has received a letter from R. W. Beck & Associates, concerning joint municipal ownership in major power supply projects. Copies of the letter will be given to the commissioners.

There was no further business, and the meeting was adjourned.

  
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Roberta H. Marshall, Secretary

JUNE 25, 1980

All members were present at the regular meeting of the St. Michaels Utilities Commission, held on Wednesday, June 25, 1980.

The minutes of the May meeting were approved as read.

The Maryland Public Service Commission has scheduled the public hearing on St. Michaels' rate case for Friday, August 15, at the Martingham Conference Center.

The P. S. C. has requested that St. Michaels change some of the wording in Part I. of the tariff, which contains technical information that is outdated. Mr. Kilmon will meet with an engineer from the P. S. C. on June 30, to go over the parts in question and revise them.

The Commissioners will schedule a meeting with Mr. Bernstein on July 1, to go over the testimony that will be necessary from the Commission. Since David Mann will be out of the country at the time of the hearing, the question of using the services of some other lawyer familiar with rate cases will also be decided. Mr. Spencer will call Mr. Mann before the meeting to get his advice about other persons that we might use.

A letter from Miller, Wheeler, Thompson & Thompson, regarding meter tampering, was read and put on file.

Mr. Spencer has talked to Albert Wood, Talbot County Finance Officer, about the bill from the County for alleged damage to the sewer line. Since the Utilities cannot prove the damage was not caused by our pole, it was decided to turn the bill over to the insurance company. Mr. Spencer will contact Mr. Wood to tell him of the Utilities decision, and to discuss the exorbitant price that was charged.

A letter was read from John Dunlap, Chairman of the Town Planning and Zoning Commission, suggesting better communication between the two boards.

A letter was received from Mrs. Eleanor K. Van Dusen, regarding sending her bills direct to her bank for payment. Since this is not possible, Mrs. Marshall will send her a letter with information on Maryland National's "Bill Payer Phone" plan, which is now in use by some of our customers.

Mr. Kilmon has sent the Utilities specifications to the State Highway Administration.

It was decided to transfer \$15,000 from the regular checking account to the Reserve Account.

Mr. Kilmon requested that the Commissioners review his pay scale. They will discuss this at a later date, and then get back to Mr. Kilmon.

There was no further business, and the meeting was adjourned.

*Roberta H. Marshall*

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Roberta H. Marshall, Secretary

JULY 30, 1980

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, July 30, 1980. Those members present were Mr. Spencer, Mr. Morse, Mr. Kilmon, and Mrs. Marshall.

Town Commissioner Irene Daffin and the Town Clerk, Milford Sprecher, also attended the meeting. The Commission was extremely disappointed that the other Town Commissioners were absent, since they feel that a meeting with the Town Commissioners is most desirable.

The minutes of the last meeting were approved as read.

The bill from Talbot County for damages to the sewer line has been submitted to the insurance company. Mr. Spencer talked to Mr. Wood, and that is satisfactory to him.

The financial statements were discussed and thoroughly reviewed. Mr. Spencer expressed the opinion of the Board that the system is in good shape, and the Utilities can look to a better profit picture in the future.

The public hearing on St. Michaels' rate case has been postponed to Friday, September 5, and David Mann will represent the Utilities at the hearing. Although due notice will appear in the local paper, a letter will be written to the Town Commissioners stating that their presence will be needed at the hearing.

The Commissioners have tabled their review of Mr. Kilmon's pay scale.

Mr. Kilmon has received a request for power to the end of Calvert Street in Bentley Hay, near Rio Vista. It is his thought to run a power line down the County right of way at Utilities' expense, since there is a possibility of twenty or so houses that could be built on that one street. He reported that the Utilities has a variance from the Public Service Commission to run pole lines in the Rio Vista area. There are three problems connected with the project: surveying and staking the right of way, clearing the trees from the right of way, and building the line itself. Mr. Kilmon was instructed to look into the matter thoroughly, get costs on the job, and report back to the Commissioners as soon as possible.

The cable television firm of Penn Communications, Inc., has approached the Town, and this was discussed. Mr. Kilmon recommended that the project be given a very thorough study from the engineering and technical viewpoints before a contract is signed. Two serious problems could be faced by the Utilities: the safety of Utilities



personnel could be jeopardized, and there may be increased costs for poles and equipment due to the additional cables. It was suggested that Mr. Sprecher and Mr. Kilmon might visit some other towns who already have cable television, to see what problems they may have.

The Commissioners thanked Mrs. Daffin for coming to the meeting, and the meeting was adjourned.

*Roberta H. Marshall*

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Roberta H. Marshall, Secretary

AUGUST 6, 1980

The St. Michaels Utilities Commissioners met with the Town Commissioners on Wednesday, August 6, 1980. Members present were Autie Kelley, Helen Plummer, Edward Campbell, Irene Daffin, Edward Morris, Alex Spencer, William A. Morse, Milford Sprecher, and Roberta Marshall.

Mr. Campbell posed several questions about the Utilities financial statements. Mrs. Marshall explained that the books are kept according to Maryland Public Service Commission and Federal Energy Commission rules, and explained the portions of the statement that were in question.

Mr. Campbell also asked about the amount of the Utilities indebtedness to the Town, and when the Town could expect more monies from the Utilities. Mr. Spencer replied that if there is little expansion, and if the rate increase is granted, there should be more money available in the next year.

Mr. Kelley inquired if the rate increase was only keeping up with the rate of inflation. Although this is true, he was told that it is hoped that the Town will get about half of the additional profits realized. Mr. Sprecher was instructed to put the rate increase on the agenda of the next Town meeting, for the Commissioners' formal approval.

There were questions about the Utilities personnel policies. Mr. Campbell felt that the difference in salaries for Town and Utilities personnel created a problem for the Town.

Mr. Kelley stated that he has heard that the Utilities inventory is out of line. Mrs. Marshall explained that she has been keeping some figures on the inventory for the past few years, and she will bring them up to date and give a copy to Mr. Kelley. It was also explained that a larger inventory is needed now than in past years because we have so many more customers. Increase in prices of materials over the past few years has also affected the inventory figure.

There was discussion about the new Town Charter, and its effect on the Utilities. The Utilities Commissioners were requested to submit their ideas about revisions to the Charter as soon as possible, so that the matter can be put on the agenda for the Town's next meeting.

There were no further questions, and the informal meeting was adjourned.

  
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Roberta H. Marshall, Secretary



Commissioners of St. Michaels

ST. MICHAELS, MARYLAND 21663

SETTLED 1670-80  
INCORPORATED 1804

745-9535

August 14, 1980

Mr. Alex J. Spencer, Chairman  
St. Michaels Utilities Commission  
St. Michaels, Maryland 21663

Dear Mr. Spencer:

At the August 12 meeting, The Commissioners discussed the rate increase proposed by the Utilities Commission. The Commissioners approved the Utilities Commission's action and will do whatever we can to support your effort.

Please contact us if you need any additional help.

Sincerely,

*Autie F. Kelley*  
Autie F. Kelley, President  
Commissioners of St. Michaels

AFK/s



AUGUST 27, 1980

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, August 27, 1980. All members were present, although Mr. Mowbray had to leave early due to Mrs. Mowbray's illness.

There was discussion about the public hearing on the rate case, to be held at Martingham Conference Center on September 5, 1980. In order to prepare for any last minute details, the commissioners will meet with Mr. Mann and the rate consultants on Thursday evening, September 4th. Mr. Kilmon and Mrs. Marshall will also attend.

After Mr. Mowbray's departure, the minutes of the regular July meeting, and the meeting on August 6 with the Town Commissioners, were read and approved.

It is the Utilities Commission's understanding that the Town has agreed to let Penn Communications proceed on a final draft to allow cable television. Since the Utilities will be seriously affected by the agreement, Mr. Kilmon was directed to make a detailed study of the matter, and the Utilities will submit their proposals and recommendations to the Town as soon as possible.

A letter has been received from the Town, formally approving the application for St. Michaels' rate increase.

There was discussion about the desired changes in the new Town Charter. Mr. Morse was appointed to make a rough draft of the desired changes, and report back to the Board.

Mr. Kilmon reported that Delmarva will begin construction of their new 69 KV line on September 2. Their Indian River coal-fired plant is nearing completion. Delmarva will submit a letter before the next meeting night, granting ownership to St. Michaels of the Oak Creek crossing and the line to Rolles Range.

There was no further business, and the meeting was adjourned.

  
\_\_\_\_\_  
Roberta H. Marshall, Secretary





SEPTEMBER 24, 1980

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, September 24, 1980. Members present were Alex J. Spencer, Fred M. Mowbray, Franklin R. Kilmon, and Roberta H. Marshall.

The minutes of the last meeting were approved as read.

A letter has been received from Delmarva, stating the value of the poles which are to be left in place for St. Michaels at the Oak Creek crossing and entering and leaving St. Michaels.

There was a review of the current financial statements.

Although Mr. Kilmon's study of the cable television situation is not quite complete, he discussed his findings to date. The Commissioners will be given copies of Mr. Kilmon's information for their study and recommendations.


The semi-annual public hearing on St. Michaels Power Adjustment Charges will be held on Monday, November 24, in the Town's meeting room.

Nothing is expected to be heard from the Maryland Public Service Commission about the rate case until mid-October.

Mr. Kilmon reported that the plans for the new Miles River Bridge are now well under way. He has received a letter from the firm of Hayes, Seay, Mattern & Mattern (HSMM), stating that the Maryland State Highway Administration has instructed them to incorporate facilities for St. Michaels into the design for the bridge, at St. Michaels' expense. The total cost of their services, with the job ready to be put to bid, will be either \$6,560 or \$8,200, depending on the choice of a design which provides access to the conduit or one which does not provide access. The construction cost will run to approximately \$75,000.

A meeting will be requested with the Town Commissioners to discuss this matter as soon as possible, since Mr. Kilmon must have all the information back to the engineers by October 20, 1980.

There was no further business, and the meeting was adjourned.

  
\_\_\_\_\_  
Roberta H. Marshall, Secretary



Delmarva Power & Light Company  
800 King Street • P.O. Box 231  
Wilmington, DE 19899  
(302) 429-3011

**Delmarva  
Power**

September 23, 1980

Mr. Ray Kilmon, General Manager  
St. Michaels Utilities Commission  
St. Michaels, Maryland 21663

Dear Ray:

The book value of the poles which are to be left  
in place for St. Michaels is as follows:

Oak Creek Crossing:

8 - 45' poles - 1972 - @ \$340.88 = \$2,727.06

Entering St. Michaels to Substation:

7 - 35' poles - 1942 - @ \$42.63 = \$ 298.47

Poles Leaving Substation toward Bozman:

12 - 35' poles - 1971 - @ \$175.56 = \$2,106.77

\$5,132.30 TOTAL BOOK  
VALUE

If any other information is needed, please call.

Sincerely,



William L. Adams  
Supervisor  
Resale Services

WLA/mar

Power



THE BASE

SEPTEMBER 30, 1980

A special meeting was held with the Town Commissioners on Tuesday, September 30, 1980. All members of both boards were present, as well as Mr. Kilmon and Mrs. Marshall.

Mr. Spencer explained to the Town Commissioners that the purpose of the meeting was to discuss the replacement of the conduit which crosses the river on the Miles River Bridge. Since the old bridge is to be replaced, the Utilities must make provisions to serve the 317 customers who are across the bridge.

Mr. Spencer added that the engineering firm of Hayes, Seay, Mattern & Mattern (HSMM) has been instructed by the State Highway Administration to include facilities for St. Michaels Utilities in their design for the bridge, at a cost to St. Michaels of \$8,200. The estimated total cost, for design and construction of St. Michaels' facilities, is \$65,200. A decision must be made at once, since all information must be sent back to the engineers by October 20, 1980.

In the discussion that followed, it was pointed out that the Utilities has two other possible alternatives: to put in a submarine cable all the way across the river at an estimated cost of \$150,000, or to give up the franchise across the bridge and lose an estimated fifteen percent of the present total gross revenues in an area that is ripe for expansion.

All the members present agreed that St. Michaels has no choice except to direct HSMM to include our plans in with the new bridge.

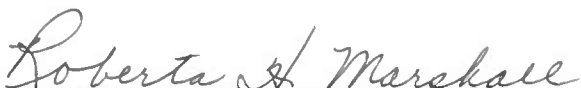
The Town Commissioners gave their informal approval to go this route, but explained that they will have to wait until their next public meeting to vote formally on the matter.

Mr. Kelley asked for the Utilities Commission's progress on revisions to the Town Charter, and Mr. Morse reported that he will get back to the Commissioners in the near future.

There was a question as to whether it would be feasible to put the electric lines on Talbot Street underground at the same time that the new water lines are installed. Mr. Kilmon pointed out that the poles on Talbot Street belong to C & P Telephone, and they will have to be contacted. It is assumed that the cost would be prohibitive, both to the Utilities and to C & P.

Mr. Kelley remarked that he had received a call from Robert Esterson, about trees on St. Michaels' right of way that were trimmed.

On behalf of the Town Commissioners, Mr. Kelley thanked the Utilities Commissioners for keeping the Town informed on Utilities business, and the meeting was adjourned.

  
Roberta H. Marshall, Secretary



# Hayes, Seay, Mattern and Mattern

ARCHITECTS • ENGINEERS • PLANNERS

GLYNN D. BARRANGER  
H. BOYD DICKENSON  
BYRD H. BARKSDALE, JR.  
JOHN R. HILDEBRAND  
ERIC T. NASCHOLD, JR.  
FLETCHER F. RUSH  
J. OLIVER STEIN  
JAMES M. STRICKLAND, JR.  
JOHN R. BRADSHAW, JR.  
ED M. HAYWARD  
C. H. PORTER

REPLY TO: 1776 EAST JEFFERSON STREET  
SUITE 3005  
ROCKVILLE, MARYLAND 20852

23 September 1980

Mr. Franklin R. Kilmon, Manager  
St. Michaels Utilities Commission  
St. Michaels, Maryland 21663

Re: SHA Contract No. T-262-004-271  
New Bridge on Maryland Route 370  
over Miles River  
A & E Commission No. 2782

Dear Mr. Kilmon:

Reference is made to your letter dated June 23, 1980 to Mr. James M. Wright, District Engineer, State Highway Commission (SHA). Our agreement with SHA requires that we incorporate the requirements of the utilities into the bridge plans. It also states that the consultant shall negotiate directly with the Utility for the cost of the work required to incorporate the utility's requirements, i.e. additional design, development of special details, etc.

In accordance with our telephone conversation, we are pleased to submit our proposal for this work. The proposal is divided into two parts. The first covers the work required to provide for the items covered in your June 23, 1980 letter to Mr. Wright and the second covers the additional work necessary for the cable design and preparation of contract documents for this work. We have drafted the proposal in such a way that with your acceptance and signature it becomes our contract for the work. If you have any questions concerning these items, please call. Phone (301) 770-2775.

Very truly yours,

HAYES, SEAY, MATTERN & MATTERN

*E. M. Hayward*  
E. M. Hayward  
Associate Partner

EMH/md  
Enclosure: As Noted  
cc: Mr. Eric T. Naschold





ENGINEERING SERVICES FOR  
CONDUIT DUCT SYSTEM AND ELECTRICAL  
TRANSMISSION CABLE ACROSS NEW  
MILES RIVER BRIDGE, MD. ROUTE 370

BASIS OF PROPOSAL

1. Maryland State Highway Administration (SHA) is planning a new bridge for Maryland Route 370 across Miles River. Hayes, Seay, Mattern & Mattern (HSMM) is under contract to the SHA to prepare plans and specifications for the bridge. The contract provides that the Consultant enter into a separate agreement with the utility companies for work necessary to provide for utility attachments to the bridge.
2. The agreement with St. Michaels Utilities Commission will consist of two (2) parts. Part 1 will cover the conduit duct and support system and Part 2 will cover the cable system for a 12,470 Y/7200 volt, 3 phase, 4 wire transmission system.
3. St. Michaels Utilities Commission may elect to install a duct support system without permanent access to the pull boxes or a system with permanent access. HSMM's proposal for the system without permanent access is noted Part 1a and with permanent access as Part 1b.
4. HSMM will design the direct support system and prepare the necessary drawings required to include the duct system in MSA's bridge plans.
5. HSMM will design the cable system, including the underwater section at the bascule span and prepare plans and specifications necessary for St. Michaels Utilities Commission to secure a contractor to do the work.
6. The circuit will terminate on overhead poles provided by the St. Michaels Utilities Commission at each end of the bridge. The final connection shall be made by St. Michaels Utilities Commission.
7. HSMM will hold two meetings with representatives of St. Michaels Utilities Commission.



8. St. Michaels Utilities Commission will pay HSMM 30% of the lump sum fee upon approval of the preliminary plans. The remainder of the fee shall be paid within 30 days after the approval of the final plans.
9. Cost of reproduction of contract documents for bidding is not included.
10. The conduit duct system shall include the following:
  1. Two (2) six-inch ducts on the northeast side of bridge.
  2. Duct passing through bridge abutments should be installed so as to avoid or resist any shear due to soil settlement.
  3. Between Station 65 + 77.83 and Station 59 + 20.83 a pull box shall be installed. This will allow approximately 350 foot spans between the draw and bridge abutment.
  4. Between Station 58 + 59.83 and Station 53 + 76.83 a pull box shall be installed. This will allow approximately 250 foot spans between the draw and bridge abutment.
  5. At each bridge abutment a suitable termination box.
  6. Two (2) Termination Boxes. One on each side of the Bascule Span to terminate the bridge duct to a submarine cable passing under the channel span.
  7. Provisions to attach submarine cable to bridge near channel structures.
11. Prepare application to Corps of Engineers for river crossing.



# Hayes, Seay, Mattern and Mattern

ARCHITECTS • ENGINEERS • PLANNERS

GLYNN D. BARRANGER  
H. BOYD DICKENSON  
BYRD H. BARKSDALE, JR.  
JOHN R. HILDEBRAND  
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FLETCHER F. RUSH  
J. OLIVER STEIN  
JAMES M. STRICKLAND, JR.  
JOHN P. BRADSHAW, JR.  
ED M. HAYWARD  
C. H. PORTER

REPLY TO: 1776 EAST JEFFERSON STREET  
SUITE 3005  
ROCKVILLE, MARYLAND 20852

23 September 1980

Mr. Franklin R. Kilmon, Manager  
St. Michaels Utilities Commission  
St. Michaels, Maryland 21663

Re: SHA Contract No. T-262-004-271  
New Bridge on Maryland Route 370  
over Miles River  
A & E Proposal No. 9217

Dear Mr. Kilmon:

Hayes, Seay, Mattern & Mattern proposes to provide engineering services to design the conduit support system, the electrical cable system and prepare the drawings and specifications in accordance with the attached basis of proposal dated 23 September 1980 as follows: Part 1a. \$2,660.00, or Part 1b. \$4,300.00 and Part 2. \$3,900.00.

Respectfully submitted,

HAYES, SEAY, MATTERN & MATTERN



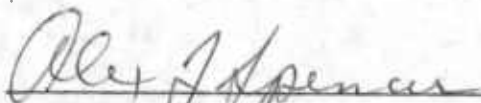
E. M. Hayward  
Associate Partner

EMH/md

Enclosure: As Noted

Accepted for:

St. Michaels Utilities Commission

  
Title Pres.  
Date 10/2/80



NOVEMBER 6, 1980

The October meeting of the St. Michaels Utilities Commission was held on Thursday, November 6, 1980, with all members in attendance. David Mann, attorney for St. Michaels' rate case, was also present.

The minutes of the September meeting and the special meeting with the Town Commissioners were read and approved.

The major portion of the meeting was devoted to discussion of the rate case. St. Michaels has received the proposed order of Hearing Examiner Wasowicz, and will be allowed only a seven percent rate of return rather than the eight percent that was requested. This amounts to approximately sixty percent of the amount requested.

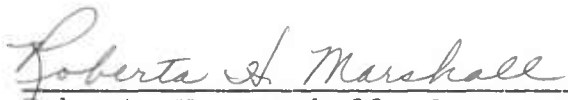
The Commissioners have the right to appeal the decision, but it was pointed out that an appeal would delay the rate increase for a fairly long time, and then might not be favorable. The Commissioners decided not to appeal the decision of the Public Service Commission.

Various ways to reduce the new rate structure as filed were discussed. Mr. Mann, Mr. Kilmon and Mrs. Marshall will contact Edgar Bernstein, the rate consultant, on November 7 to give him the views of the Commissioners.

Mr. Kilmon reported that the new recloser has been installed in the Bloomfield Substation, and it is now in good shape.

Formal approval for the project on the Miles River Bridge was received from the Town Commissioners. Mr. Kilmon reported that the contract and all the necessary information were sent in by the required date.

There was no further business, and the meeting was adjourned.

  
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Roberta H. Marshall, Secretary





Commissioners of St. Michaels

ST. MICHAELS, MARYLAND 21663

SETTLED 1670-80  
INCORPORATED 1804

745-9535

October 15, 1980

Mr. Alex J. Spencer, Chairman  
St. Michaels Utilities Commission  
St. Michaels, Maryland 21663

Dear Mr. Spencer:

At our regular meeting on October 14, 1980 The Commissioners approved the necessary work that will be required to install the electrical cable across the new Miles River Bridge.

Please keep us informed as to the progress of this project and what the costs will be.

Sincerely,

*Autie F. Kelley*  
Autie F. Kelley, President  
Commissioners of St. Michaels

AFK/s



THE  
OFFICE OF THE  
ATTORNEY GENERAL  
STATE OF NEW YORK  
ALBANY

IN SENATE  
JANUARY 10, 1906  
REPORT  
OF THE  
ATTORNEY GENERAL  
IN RESPONSE TO  
A RESOLUTION  
PASSED BY THE SENATE  
MAY 1, 1905



ALBANY:  
J. B. LEECH, JR.,  
PRINTERS.  
1906



# MINUTES OF SPECIAL MEETING

On Friday November 21, 1980, the members of the St. Michaels Utilities Commission sat in a special meeting. Those present were Mr. ALEX SPENCER, Chairman and PAT MORSE and FRED MOWBRAY, Commission members.

A discussion of the Commission employees was held and the following pay scales were adopted, to become effective January 1, 1981, unless otherwise stated.

R. KILMON	\$485.00 per week
J. VOSHELL	\$9.00 per hour
P. SCHUTZ	\$7.50 per hour
K. PATTON	\$7.50 per hour
E. FISHER	\$4.50 per hour
C. KILMON	\$4.50 per hour *
R. MARSHALL	\$230.00 per week
A POWELL	\$142.00 per week
B. HILL	\$130.00 per week **

\* Increase in salary to become effective June 1, 1981

\*\* Increase in salary to become effective April 1, 1981

A discussion of the annual bonuses was held and it was decided that there would be no change in the method of the payment of bonuses.

*Fred M. Mowbray*  
Fred Mowbray

Acting Secretary

*Addendum to above:*

*On Friday - November 28, 1980, I consulted in person Mr. Spencer and Mr. Morse, also 5:45 P.M. with Mr. Mowbray regarding 1981 salaries. Each Commissioner agreed to make all salary increases effective Jan. 1, 1981.*

*Per: Franklin R. Kilmon, Mgr.*  
*St. Michaels Utilities Commission*



NOVEMBER 25, 1980

All members were present at the regular meeting of the St. Michaels Utilities Commission, held on Tuesday, November 25, 1980.

The minutes of the last meeting were read and approved.

The amended rate schedules have been filed with the Public Service Commission. There was discussion about the time lag between the receipt of the final ruling from the Public Service Commission and the date that the new rates will be able to be put into effect. Mr. Spencer will talk to Mr. Mann to see if it is advisable to contact Mr. Wasowicz about the problem, since a new program for the billing machine cannot be ordered until after the word is received as to whether the rates are accepted.

Nothing further has been heard from the State Highway Administration about the new Miles River bridge.

A request for a donation was received from United Fund. It was the decision of the Board that a donation will not be made this year.

Mrs. Marshall reported that one of the adding machines in the office has been out of order for the past two months. Since it is ten years old and fully depreciated, it was decided to purchase a new one from Monroe at a net cost of \$254.22. The new machine will be under warranty for one year, thereby saving an additional amount of \$75, which is the cost of the annual maintenance contract on the old machine.

Mr. Kilmon has received a letter from Delmarva, offering to enter into settlement discussions on their new wholesale rate increase, which will be charged to St. Michaels beginning with the bill for December usage. The letter will be turned over to Mr. Mann for his advice.

There was no further business, and the meeting was adjourned in order to meet with the Town Commissioners.



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Roberta H. Marshall, Secretary



NOVEMBER 25, 1980

The St. Michaels Utilities Commissioners met with the Town Commissioners on November 25, 1980, for the purpose of discussing the agreement with Penn Communications for cable television in St. Michaels.

Members present were Mr. Kelley, Mr. Campbell, Mrs. Plummer, Mrs. Daffin, Milford Sprecher, and Michael Hickson, Town Attorney. All Utilities Commissioners were present, as well as Mr. Kilmon and Mrs. Marshall.

It was pointed out by Mr. Spencer that there are still many gaps in the information needed before a rental price can be set. Also, there are poles within the town limits which are in joint use with C & P Telephone and Delmarva. Penn will have to make separate agreements with the other companies involved.

Of prime importance is a map of Penn's system in St. Michaels and their requirements. There must also be a field inspection, with an inventory of the poles within the town limits. It was agreed that Penn will have to pay these costs.

All the members present had reviewed Mr. Hickson's drafts of the proposed ordinance and the proposed contracts. Following a short discussion about the documents, it was decided to send Penn the contract and wait for their reply.

It was also noted that due to Public Service Commission rules all rental monies will have to come to the Utilities, for distribution to the Town as a cash transfer.

A meeting will be set up with Penn officials after the issue of the contract is settled.

Mr. Kelley then brought up the matter of having the Utilities send a representative to their monthly meetings to give a report, the same as the other Town committees. It was the feeling of the Utilities Commissioners that the Utilities is a business entity rather than a committee, and as such should not be exposed to poor public relations that could be a result of reporting in a public meeting. The Town Commissioners were reminded that town residents make up only about one-third of the Utilities customers, but are benefitting from the profits of the entire system. In its recent ruling on St. Michaels' rate case, the Public Service Commission warned that out-of-town customers should not have to pay, through increased rates, for services for townspeople that should be covered by taxes. They will keep a close eye on this in the future.

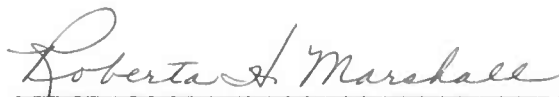


Mr. Campbell requested a monthly summary of all Utilities expenditures. A list of all outstanding bills is already given to the Utilities Commissioners each month, and in the future a copy will also be given to Town Commissioners. Mr. Hickson stressed that this information should never be allowed to leak to the public, and possibly be distorted.

Mr. Morse had no report for the Town on possible changes to the Utilities portion of the Town Charter.

Mr. Mowbray's term as a Utilities Commissioner will expire at the end of the year, and Mr. Kelley announced that they will appoint Mr. Ralph Simmons to replace him.

There was no further business, and the meeting was adjourned.

  
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Roberta H. Marshall, Secretary

DECEMBER 29, 1980

The regular meeting of the St. Michaels Utilities Commission was held on Monday, December 29, 1980. Members present were Mr. Spencer, Mr. Mowbray, Mr. Kilmon, and Mrs. Marshall.

The minutes of the November meeting and the special meetings were read and approved.

Notice has been received that the Public Service Commission has approved the rate increase as re-filed on December 22, and it is to become effective with service rendered on and after December 23, 1980. It was decided to increase the employee rates to 4.2¢ per KWH.

Mr. Kilmon informed the Commissioners that it may be possible to remove the demand charges from Domestic customers and also to put more of the power adjustment charges into the base rate on an administrative level with the Public Service Commission. The Utilities will follow up on this as soon as possible.

Mr. Mann attended the joint meeting with Delmarva officials to discuss settlement of their rate case. After more facts are available, Mr. Mann and the Commission will meet in January to come to a decision. Mr. Kilmon pointed out that St. Michaels is presently buying on Delmarva's distribution rates, but according to planned engineering will soon be on the transmission tariff. This will result in considerable savings.

Mr. Kilmon reported that he attended a meeting in Salisbury with Penn Communications officials, Town Clerk Milford Sprecher, and Town Attorney Michael Hickson. A rental of \$5 per annum per pole was agreed upon. This amount will be billed in advance, each year. Penn will provide the preliminary maps, etc., for approval by St. Michaels.

Mr. Kilmon informed the Commissioners that there has been considerable vandalism to the street lights in December. So far this month eighteen lights have been damaged, with a total of \$720 of known costs. There is probably more damage that has not been reported. Mr. Kilmon has been to the Town Police, but so far they have not discovered who is responsible. He requested instructions from the Board about replacement of lights. The Commissioners agreed that the lights must be replaced.

A payment of \$25,000 is due on the note at Maryland National Bank on December 31. Mr. Spencer will contact Mr. Morse to see if a payment of \$16,000 can be made now, with the balance later.

There was no further business, and the meeting was adjourned.

  
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Roberta H. Marshall, Secretary



JANUARY 28, 1981

All members were present at the meeting of the St. Michaels Utilities Commission, held on Wednesday, January 28, 1981.

First order of business was the election of officers for the coming year. Motion was made, seconded, and duly passed, to elect Alex J. Spencer as President of the Commission for 1981.

Franklin R. Kilmon was appointed as Manager, and Roberta H. Marshall was named Secretary-Treasurer.

The minutes of the December meeting were approved as read.

Mr. Morse reported that Maryland National Bank has agreed to accept the partial payment of \$16,000 on the note, but they will expect the other \$9,000 to be paid by June 30.

The Commissioners and David Mann met with Delmarva officials regarding the wholesale rate case, and are presently negotiating for a settlement.

Mr. Kilmon announced that Delmarva has waived the late payment charge on the power bill for the month of December.

There was considerable discussion about the high bills for St. Michaels customers this month, due to the extremely cold weather and the Delmarva price increase. All bills being sent out will be stamped with the information that the Delmarva price increase, effective 12/1/80, is reflected in the bill.

There are still two bills from Associated Regulatory Consultants, that are not yet paid. The total amount of the bills is \$4,231.22, and they represent work that was done in September, November and December. Mr. Spencer will contact Mr. Bernstein by telephone, to ask him to revise these charges and to request the work papers from the St. Michaels rate case.

Foreman John Voshell has resigned from the Utilities to take a job with C & P Telephone. At the present time, Mr. Kilmon is operating with two apprentice linemen and two men with approximately five years experience each. Barring a major storm, he is confident that he can carry the responsibilities of the operation through March. Ads for a Journeyman Lineman have been placed in newspapers all over the Shore, and will continue to be published through February 4, 1981. Mr. Kilmon is hopeful of getting qualified help by then.

Mr. Hayward, of Hayes, Seay, Mattern & Mattern, has been in touch with Mr. Kilmon regarding the plans for the new Miles River

Bridge. Mr. Kilmon informed the Commissioners that he will contact them within the next week on further developments.

Mr. Kilmon also discussed the income from security light rentals. Due to the increase in cost of electricity, as well as the increased costs of the lights and equipment, it was decided to increase the charge from \$4.80 to \$5.70 per month. This is still less than a neighboring power company charges for rentals. Details of the increase will be worked out by Mr. Kilmon and Mrs. Marshall.

Mr. Kilmon has renegotiated the contract with C & P Telephone for joint trench.

The insurance claim for damage to the sewer lines on Seymour Avenue has still not been paid. Mr. Morse will contact Mr. Griffin about the claim, and Mr. Spencer will follow up on the matter later.

There was mention that it might be advantageous to hold the first meeting of the year at an early date, in order to help a new commissioner become acquainted with the operation of the Utilities. This will be discussed further at a future meeting.

There was no further business, and the meeting was adjourned.



Roberta H. Marshall, Secretary

FEBRUARY 9, 1981

The St. Michaels Town Commission and the Utilities Commission held a special meeting on Monday, February 9, 1981. Town Commission members present were Autie F. Kelley, President, Helen K. Plummer, Edward C. Campbell, Edward R. Morris, and Town Clerk Milford Sprecher. Utilities members present were Alex J. Spencer, President, William A. Morse, Ralph A. Simmons, Manager Franklin R. Kilmon, and Roberta H. Marshall.

Mr. Kelley opened the meeting by asking Mr. Sprecher to read Article XI. of the Town Charter, which concerns the Utilities Commission. Mr. Kelley pointed out that he felt it advisable to re-read the charter from time to time, in order to stay familiar with it and to be aware of any changes necessary. It was noted that there are quite a few revisions that are needed now, and Mr. Sprecher pointed out that the Town's attorney is waiting so that he can make all the changes at one time.

Mr. Kelley again stressed the need for better communication between the two boards.

Mr. Spencer informed the Town Commissioners that the Utilities has just settled with Delmarva on the rate case, which increased St. Michaels' wholesale rates on December 1, 1980. The settlement will reduce the increase by approximately one-third, and will be reflected in bills to customers for February usage.

Mr. Spencer also spoke to the Commissioners about an offer from Delmarva to lease the St. Michaels system. He emphasized that this matter is very confidential, since any rumors or publicity at this time would be detrimental to both the Town and to Delmarva. He presented a letter to the Commissioners from Utilities attorney David Mann to confirm this fact.

Mr. Spencer explained that St. Michaels is experiencing both personnel problems and financial problems, and it is getting increasingly more difficult for a small utility to operate. The Miles River bridge alone will mean a capital expenditure of approximately \$200,000 within the next year or two. Also, since the loss of the foreman in January, Mr. Kilmon does not have enough experienced men to operate in case of an emergency.

Delmarva is looking to round out their total network in this area, as well as to remove the problem of a small, politically-oriented competitor in the middle of their system.

In preliminary discussions, Delmarva has offered a yearly rental of \$200,000, on a 25-year lease that is renewable every five years. They would also buy the inventory and the equipment, which

is worth approximately \$200,000. Delmarva would maintain a customer service office in the area similar to the one at Oxford. They would also want to lease the Utilities shop and yard for a period of three years. The agreement could probably be in operation within sixty days from the time of Public Service Commission approval.

Mr. Spencer explained that the offer is still in the most preliminary stage at this time, and it might be possible to negotiate much better terms. He added that the Commissioners are not in favor of selling the Utilities, but a lease arrangement would be a way out of the present difficulties. He stressed the fact that the Town should continue to have a Utilities Commission, to ensure that the system is operated according to the terms of the lease, as well as to take care of any other matters that could come up.

In the discussion that followed, there were many questions about specific points, such as the rate of return on the investment, street lighting and maintenance, the establishment of a sinking fund, etc. These were answered to the best of the Utilities Commissioners' abilities, but Mr. Simmons explained that they could not go into the matter further with Delmarva until the Town Commissioners gave their approval to the total concept. The Town Commissioners gave their verbal approval to pursue the matter further, and then report back to them.

The Utilities Commissioners and Mr. Mann will meet with Delmarva officials for further negotiations on Friday, February 13.

In other matters, Town Commissioners expressed their concern over the high bills for the month of January, and asked for an explanation of the Power Adjustment charges.

The increase in line loss in 1980 over 1979 was also compared and discussed.

In closing, Mr. Spencer told the Commissioners that compared to the normal standard of systems, Delmarva representatives have stated that the St. Michaels system is in excellent shape.

There was no further business, and the meeting was adjourned.

  
Roberta H. Marshall, Secretary

PHILADELPHIA  
NEW YORK  
HARRISBURG

MORGAN, LEWIS & BOCKIUS  
COUNSELORS AT LAW  
1800 M STREET, N.W.  
WASHINGTON, D.C. 20036  
TELEPHONE: (202) 872-5000

LOS ANGELES  
MIAMI  
PARIS  
ASSOCIATED OFFICE

J. DAVID MANN, JR.  
DIAL DIRECT (202) 872-5010

January 29, 1981

Mr. William L. Adams  
Supervisor of Resale Services  
Delmarva Power & Light Company  
800 King Street  
Wilmington, Delaware 19899

Re: The St. Michaels Utilities Commission

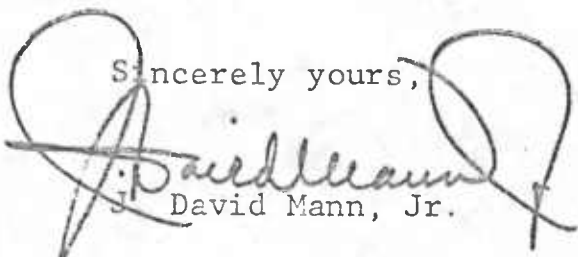
Dear Mr. Adams:

In response to my letter of January 26, you have indicated that Delmarva Power & Light Company would indeed be favorably disposed toward discussing with representatives of The St. Michaels Utilities Commission the question of a possible lease of the St. Michaels facilities to Delmarva. In this regard, I suggest that we plan to meet in the Town Offices in St. Michaels, Maryland, on Friday, February 13, at 10:00 a.m.

In order that we may take maximum advantage of the time available to us on the 13th, I should very much appreciate it if you would submit a proposal under the terms of which Delmarva would take over the operation of the St. Michaels facilities. You should submit such proposal at the earliest possible date in order that we may have a full opportunity to review it and be prepared to discuss it in detail.

Should it develop that the February 13 date poses a problem or if you anticipate problems in submitting the proposal well in advance of that date, I should appreciate it if you would call me promptly so that we may make alternative arrangements.

Sincerely yours,

  
J. David Mann, Jr.

JDM/jrb

Telegraphed 1-29-81 H. Mann  
302/422-3560





PHILADELPHIA  
NEW YORK  
ARRISBURG

MORGAN, LEWIS & BOCKIUS

COUNSELORS AT LAW  
1800 M STREET, N.W.  
WASHINGTON, D.C. 20036  
TELEPHONE: (202) 872-5000

LOS ANGELES  
MIAMI  
PARIS  
ASSOCIATED OFFICE

J. DAVID MANN, JR.  
DIAL DIRECT (202) 872-5010

January 26, 1981

Mr. William L. Adams  
Supervisor of Resale Services  
Delmarva Power & Light Company  
800 King Street  
Wilmington, Delaware 19899

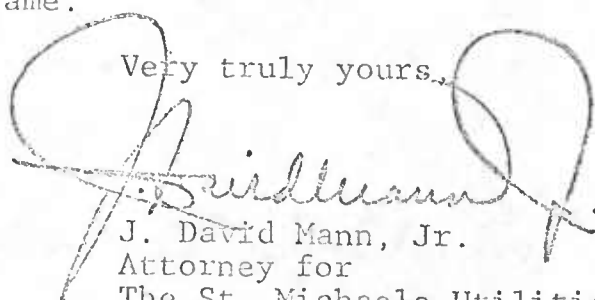
Re: The St. Michaels Utilities Commission

Dear Mr. Adams:

In connection with its future planning, The St. Michaels Utilities Commission is considering various facility utilization options which may be available to it. One of those options would contemplate a lease of its facilities to an operating entity which could maintain electric service within the area currently served by the Commission.

Since it is entirely possible that Delmarva Power & Light Company might be a potential lessee of such facilities, the Commission would appreciate the opportunity to discuss this matter with you at some mutually convenient time. If you are favorably disposed toward having such a discussion, I should appreciate it if you would advise me and indicate possible dates for same.

Very truly yours,

  
J. David Mann, Jr.  
Attorney for  
The St. Michaels Utilities Commission

JDM/jrb

Telecopied 1-26-81 2:20pm  
302/429-3560



FEBRUARY 18, 1981

A special meeting with the Town Commissioners was held on February 18, 1981. All members of both boards were present, as well as Mr. Sprecher, Mr. Kilmon, and Mrs. Marshall.

A letter of intent from Delmarva Power, dated February 17, 1981, was distributed to those present and read aloud by Mr. Sprecher. A copy of the letter is attached to these minutes.

In the discussion that followed, Mr. Kelley noted that rather than having a set period for renegotiation of the lease, review of the contract should be tied to the growth of the Town.

Mr. Spencer explained that Mr. Mann considers it necessary to make a few minor changes, but it is the opinion of the Utilities Commissioners that Delmarva will not change the part applying to the lease negotiation schedule.

The Town Commissioners will meet as a body on this subject early in the coming week, and then will get back to the Utilities.

There was no further business, and the meeting was adjourned.

  
\_\_\_\_\_  
Roberta H. Marshall, Secretary



# Delmarva Power

H. RAY LANDON  
SENIOR VICE PRESIDENT

February 17, 1981

Mr. Alex J. Spencer, President  
St. Michaels Utilities Commission  
St. Michaels, Maryland 21663

Dear Commissioner Spencer:

By letters dated January 26 and January 29, 1981, counsel to St. Michaels Utilities Commission requested that Delmarva Power & Light Company ("Delmarva Power") consider submitting a proposal to lease St. Michaels' electric plant. Accordingly, we are pleased to submit a proposal to lease St. Michaels' electric plant based on the following terms and conditions.

- 1) St. Michaels shall lease its electric plant and electric franchise to Delmarva Power for a period of twenty-five (25) years and Delmarva Power shall pay St. Michaels annually for such lease the sum of Two Hundred and Thirty Thousand Dollars (\$230,000) subject to revision as provided in paragraph (2).
- 2) The lease shall be effective sixty (60) days following approval by the Maryland Public Service Commission, which approval Delmarva Power agrees to request at its cost, and which both Delmarva Power and St. Michaels agree to support. Payments of one twelfth of the amount agreed to in item (1) above shall be made within fifteen (15) days following the end of each month of the lease. Such payments shall be subject to revision for the five year period following the third year of the lease and for every five year period thereafter except the last period which will be two years in length. St. Michaels and Delmarva Power, based upon negotiations to commence no earlier than 180 days prior to expiration of the initial three (3) year term and each extension thereof, shall agree to revisions, if any, prior to the commencement of each lease period. If St. Michaels and Delmarva Power fail to agree upon a revision, they will select a third person experienced in the utility industry, who shall recommend an appropriate revision. Such revision,



Mr. Alex J. Spencer, President  
St. Michaels Utilities Commission

February 17, 1981  
Page 2

if any, shall take effect after approval by the Maryland Public Service Commission. Delmarva Power agrees to request such approval from the Maryland Public Service Commission and to pay any costs associated therewith.

- 3) Delmarva Power shall make such expenditures for capital improvements to St. Michaels' electric plant during the term of the lease as are similarly appropriate to Delmarva Power's system with such expenditures to be treated as leasehold improvements. In this connection, Delmarva Power will agree to fund and manage the current Miles River Bridge crossing project. Upon termination of the lease, St. Michaels shall purchase such improvements at net book value unless Delmarva Power becomes the purchaser of the St. Michaels' electric plant. Delmarva Power will maintain its plant records in such a manner that at the time of consideration of lease revision and lease expiration, a review of plant additions and replacements can be readily made to determine the nature and extent of those expenditures.
- 4) Delmarva Power shall maintain St. Michaels' electric plant in accordance with good utility practice and shall protect the integrity of St. Michaels' service territory.
- 5) Customers of St. Michaels shall be billed on and after the effective date of the lease by Delmarva Power at the appropriate electric rates currently in effect for customers of Delmarva Power and as approved from time to time by the Maryland Public Service Commission. In connection with Delmarva Power's first billing to St. Michaels' customers, St. Michaels will be reimbursed by Delmarva Power on a pro-rated basis for payments made by St. Michaels' customers covering KWH consumption prior to the effective date of the lease.
- 6) Delmarva Power will offer employment within Delmarva Power's service territory to all St. Michaels' electric system employees upon the effective date of the lease at wage rates equal to or above current St. Michaels' wage rates.





Mr. Alex J. Spencer, President  
St. Michaels Utilities Commission

February 17, 1981  
Page 3

- 7) Delmarva Power intends to establish a customer service office in or near St. Michaels, employing customer contact and service personnel.
- 8) All useful materials, supplies and inventories associated with the electric facilities shall be purchased by Delmarva Power and paid for on the effective date of the lease. The value of such materials, supplies and inventories will be agreed upon prior to the effective date of the lease by a St. Michaels Utilities Commission representative and a person designated by Delmarva Power. In any case where agreement cannot be reached, a third person (who shall be experienced in utility property evaluation) who shall be agreed upon mutually by the ~~Manager of~~ St. Michaels Utilities Commission and the Delmarva Power designee shall determine such value. The basic method of evaluation to be followed shall be original cost.
- 9) All vehicles associated with the electric facilities designated by the St. Michaels Utilities Commission shall be purchased by Delmarva Power. The value of such vehicles shall be agreed upon prior to the effective date of the lease by a representative of the St. Michaels Utilities Commission and a person designated by Delmarva Power. In any case where agreement cannot be reached, a third person (who shall be experienced in utility vehicle evaluation) who shall be agreed upon mutually by a representative of the St. Michaels Utilities Commission and the Delmarva Power designee shall determine such value.
- 10) The lease shall be a net lease. All taxes, insurance and similar expenses relating to St. Michaels' electric plant leased by Delmarva Power shall be paid by Delmarva Power. Delmarva Power shall maintain insurance coverage on St. Michaels' electric plant at the level maintained by Delmarva Power for similarly situated electric plant. Delmarva Power shall assume all responsibility for insurance deductibles and liability litigation related to St. Michaels' electric plant as those incidents might occur after effective date of the lease.
- 11) The lease is subject to the approval of the Maryland Public Service Commission and such other regulatory



Mr. Alex J. Spencer, President  
St. Michaels Utilities Commission

February 17, 1981  
Page 4

agencies having jurisdiction and to the obtaining of necessary consents from the Commissioners of St. Michaels and Delmarva Power's Board of Directors. Delmarva Power and the St. Michaels Utilities Commission agree to use their best efforts to obtain such consents and approvals promptly. Delmarva Power will pay all costs associated with obtaining such consents and approvals.

- 12) In addition to the electric plant lease, Delmarva Power shall lease St. Michaels' warehouse, garage and storage complex associated with its electric plant for Six Hundred Dollars (\$600.00) per month for a period of three (3) years. Said Six Hundred Dollars (\$600.00) to be in addition to the annual lease described in paragraph (1) and shall be payable on the fifteenth of each month following commencement of the lease.
- 13) If the Commissioners of St. Michaels accept Delmarva Power's proposal, the parties will enter into a lease based upon the principles outlined above. Said lease shall be executed within thirty (30) days following acceptance of this letter of intent.

This letter of intent is submitted in duplicate. If the foregoing is acceptable to St. Michaels, will you indicate in the space below and return one (1) copy to me.

Very truly yours,

DELMARVA POWER & LIGHT COMPANY

By: \_\_\_\_\_  
H. Ray Landon

AGREED TO: \_\_\_\_\_  
Alex J. Spencer, President  
St. Michaels Utilities Commission

DATE: \_\_\_\_\_



MORGAN, LEWIS & BOCKIUS

PHILADELPHIA  
NEW YORK  
HARRISBURG

COUNSELORS AT LAW  
1800 M STREET, N.W.  
WASHINGTON, D.C. 20036  
TELEPHONE: (202) 872-5000

LOS ANGELES  
MIAMI  
PARIS  
ASSOCIATED OFFICE

J. DAVID MANN, JR.  
DIAL DIRECT (202) 872-5010

February 12, 1981

Mr. Alex J. Spencer  
President  
St. Michaels Utilities Commission  
St. Michaels, Maryland 21663

Re: Lease of Electric Plant  
to Delmarva Power

Dear Alex:

We have discussed the question of procedures which must be followed if the proposed leasing of facilities to Delmarva is to be effectuated. I have previously indicated that, although it could be argued that this lease could be negotiated and made effective solely by action of the St. Michaels Utilities Commission, considerable doubt would exist regarding the lawfulness of that approach. We have both agreed that, in any case, that would not appear to be a realistic course to follow.

Pursuant to our discussion, I have asked that this matter be researched and I attach Kevin Lipson's memorandum of this date which reaches the conclusion that approval by the Commissioners of St. Michaels (Town Commission) is required. The memorandum goes on to point out that such approval should take the form of an ordinance which can be adopted following public notice. That notice must be given at least once each week for two weeks and must contain a summary of the ordinance. The memorandum also points out that, even following adoption, a twenty (20) day waiting period must take place to permit those who may wish to do so to request a referendum on the issue. Such referendum could be triggered by the filing of a petition containing the signatures of twenty (20) percent of the Town's qualified voters. The issue would then be placed on a ballot at the next Town election or, in the Commission's discretion, at a special election.



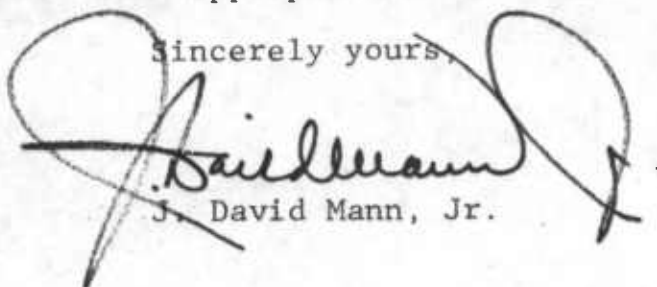
MORGAN, LEWIS & BOCKIUS

Mr. Alex J. Spencer  
February 12, 1981  
Page Two

Thus, it seems to me that, as soon as the Utilities Commission can agree with Delmarva on appropriate language for the lease, that lease should be submitted to the Town Commission for action. While it is not my province to advise the Town Commission, it would seem appropriate to suggest that, following receipt of advice from the Town Attorney, an ordinance be drafted, published and ultimately adopted approving the lease on behalf of the Town. If such procedure is followed, and assuming that lease terms can be agreed upon and that a referendum is not called for, Delmarva should be able to commence operating the plant by late Spring or early Summer.

I'll be happy to talk with you and your two fellow Commissioners about these matters at any time and will be pleased also to help in moving the matter through the Town Commission if that seems appropriate.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "J. David Mann, Jr.", with a large, sweeping flourish extending from the end of the signature.

JDM/klg

Attachment





## MEMORANDUM

TO: J. David Mann, Jr.  
FROM: Kevin J. Lipson  
DATE: 12 February 1981  
RE: The Authority And Procedures By Which  
St. Michaels May Lease Facilities To  
Delmarva Power & Light Company

### I. Introduction

You have asked me to consider the appropriate procedures and potential circumstances that may arise before the lease of electric-generating facilities from St. Michaels to Delmarva Power & Light Company (Delmarva) may be finally effectuated. Based upon a strict reading of the Charter of the Town of St. Michaels (Charter), and in the absence of an ordinance to the contrary, the utilities commission may be empowered to execute the lease without Town Commission approval. More realistically, however, the utilities commission should seek advance Town Commission approval of the lease. Were the Town Commission to adopt an ordinance approving the transaction, referendum provisions may be invoked which effectively hold the transaction in abeyance pending final resolution at the polls.

### II. Analysis

Article XI of the Charter sets forth the powers and responsibilities of the utilities commission. Section 3 of that Article specifically empowers the utility commission to supply the town with electric power as well as to execute any other responsibilities which the Town Commission may devolve on the utilities commission. Additionally, the Charter specifically authorizes the utilities commission to make contracts in the name of the town. <sup>1/</sup> Finally, the Town Commission may not discontinue or otherwise limit the power of the utilities

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<sup>1/</sup> Art. XI, § 3(b).



commission specifically assigned by the Charter. 2/ Thus, a literal, if strained, reading of the Charter would ostensibly permit the utilities commission to act unilaterally to bind the Town to the terms of the lease. A more sensible reading of the powers inherent in the utilities commission when read in conjunction with the broad powers of the Town Commission, however, indicates that the draftsmen of the Charter probably never intended the utilities commission to have exclusive control over the disposition of public property to the extent contemplated by this transaction. Rather, the Charter contemplates advance Town Commission approval by ordinance.

The town's legislative powers are vested in the Town Commission. 3/ Generally, the Town Commission may pass all ordinances for the protection and preservation of the town's property. 4/ Specifically, the Town Commission has the power to grant and regulate franchises to water, natural gas, and electric companies, 5/ and the power to convey any real or leasehold property when no longer needed for public use. 6/ Additionally, these enumerated powers are not to be construed as limitations on the Town Commission's powers. 7/ For the purposes of executing these powers, the Town Commission has the authority to pass ordinances. 8/ Thus, the Town Commission exercises broad powers over the disposition of public property.

The utilities commission is essentially an appendage of the Town Commission, and its powers are more circumscribed. The utilities commissioners are appointed by the Town Commission, 9/ and their powers may be supplemented by the Town

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2/ Art. III, § 1(18).

3/ Art. II, § 1.

4/ Art. III, § 1(1).

5/ Art. III, § 1(25).

6/ Art. III, § 1(47).

7/ Art. III, § 1 (56).

8/ Art. III § 2.

9/ Art. XI, § 1.



Commission. 10/ Additionally, the utilities commission's authority to contract in the name of the town appears to be limited to purchases of labor and materials incident to supplying power to the town. 11/ In any event, expenditures for labor, materials, plant improvements, or extensions exceeding \$1,000 require advance Town Commission approval. 12/ Finally, the Town Commission exercises power over the utilities commission's investment and reinvestment of funds, 13/ inspection of records, 14/ and sale of investments. 15/ Consequently, it appears not only to be politic, but also consistent with the intent of the draftsmen of the Charter that the utilities commission should not unilaterally lease public property without prior Town Commission approval by ordinance.

Additionally, the Maryland Constitution and the Maryland Code contemplate that the Town Commission exercise authority over the disposition of public property such as the lease arrangement at issue. The Maryland Constitution provides that every chartered town shall elect a legislative body or commission to carry out enumerated powers. 16/ The Maryland Code devolves upon chartered counties and their legislative bodies the power to dispose of any real or leasehold property belonging to the county. 17/ Thus, the Town Commission is the appropriate body to dispose of the subject utility property.

The Town Commission exercises its legislative powers by issuing ordinances. The Charter specifies certain notice requirements governing the issuance of ordinances. Essentially, public notice of the ordinance must be made at least once a week

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10/ Art. XI, § 3.

11/ Art. XI, § 3(c).

12/ Art. XI, § 3(c), (e).

13/ Art. XI, §§ 5, 6.

14/ Art. XI, § 5.

15/ Art. XI, § 7.

16/ Md. Const. Art. XI-A, § 3.

17/ Md. Code Ann. Art. 25A § 5(B).



for two consecutive weeks indicating a summary of the contents of the ordinance. An ordinance passed by the Town Commission will ordinarily not be effective until the expiration of twenty calendar days from the date of passage. An emergency ordinance is effective on the date specified in the ordinance.

As a corollary to the issuance of an ordinance, a referendum on the issue may be held. A referendum is triggered by a petition containing the signatures of 20 percent of the Town's qualified voters filed with the Town Clerk before the expiration of twenty calendar days from the passage of the ordinance. The issue subject to referendum is to be placed before the voters at the next regular town election or, in the Town Commission's discretion, at a special election. In the meantime, the subject ordinance remains ineffective until approved by a majority of the qualified voters voting on the question. An emergency ordinance subject to referendum remains effective for 60 days following receipt of the referendum petition. If the emergency ordinance has not been approved by the voters within that 60 day period, its effectiveness is suspended until approved.

### III. Conclusion

Read together, the Maryland Constitution, the Maryland Code, and the Town Charter seem to require prior Town Commission approval for the lease of facilities to Delmarva. As the legislative body empowered to dispose of public property, the Town may express its approval of the transaction by ordinance. The ordinance, however, may then require public approbation if the requisite number of eligible voters seek a referendum. The effect of a petition for a referendum would be to stay the effectiveness of the ordinance.

KJL

sla





FEBRUARY 25, 1981

All members were present at the regular meeting of the St. Michaels Utilities Commission, held on Wednesday, February 25, 1981.

The minutes of the January meeting and the special meetings were approved as read.

Mr. Spencer reported that he has been unable to get in touch with Mr. Bernstein, but he will continue trying.

Mr. Morse was in contact with John Griffin about the sewer line damage claim, but the bill still is not paid. Mr. Morse will see that a letter is written to Great American, carrier of the liability policy, and Selected Risks, carrier of the fleet policy, asking that they immediately resolve the problem. Copies will be sent to Mr. Wood of Talbot County, and to the Town Commissioners.

Mr. Spencer has received a copy of a letter sent by Mr. Mann to Delmarva, requesting the necessary changes in the lease agreement.

Mr. Spencer has also received a letter from the Town Commissioners, requesting clarification of a few points on the Delmarva proposal. (A copy of the letter is attached to these minutes.) The Town Commissioners will be requested to attend a short meeting with Mr. Mann and the Utilities Commission on February 26, in order to discuss their views as follows:

1. The Town will have control of the Municipal Street Lights.
2. As discussed at previous meetings with the Town, it is advisable that the Town be represented by legal counsel of its choice.
3. A third party appraisal may not be necessary, but, if necessary, cost of an appraisal would be insignificant.
4. Since the Utilities has no indebtedness to Maryland National Bank remaining, it is assumed that the question refers to the Town's indebtedness. Nowhere in the negotiations with Delmarva was the Town's debt mentioned.
5. In his letter dated February 12, 1981, a copy of which was given to the Town Commissioners, Mr. Mann gave an opinion that the Town will have to

pass an ordinance approving the transaction. This would include public notice of the ordinance for two weeks, and could require public approval by referendum. The Commissioners noted, however, that the Utilities must be involved with any publicity from the Town.

Mr. Kilmon has received an application from State Highway for lighting the new bridge. He will delay his answer until he confers with Delmarva about their specifications.

Mr. Kilmon reported that Penn Communications has requested a meeting with him on March 4. He will postpone this meeting until a more suitable time.

Copies of written complaints received by the Utilities were given to the Commissioners for their review and comments. Mr. Simmons will study these thoroughly, and he and Mrs. Marshall will answer them.

There was no further business, and the meeting was adjourned.



\_\_\_\_\_  
Roberta H. Marshall, Secretary

Commissioners of St. Michaels

ST. MICHAELS, MARYLAND 21663

SETTLED 1670-80  
INCORPORATED 1804

745-9535

February 25, 1981

Mr. Alex J. Spencer, President  
St. Michaels Utilities Commission  
St. Michaels, Maryland 21663

Dear Alex:

We have discussed the Delmarva proposal you presented to us last week. We would like clarification on a few points that remain unclear. These are:

1. Would we have control of the number of street lights installed by Delmarva?
2. Would we, or could we, be reimbursed for attorney's fees incurred as a result of the lease?
3. Will the cost of an independent appraisal of Utilities equipment to be sold to Delmarva be borne by us or Delmarva?
4. Would the remainder of the Maryland National loan be paid off by The Commissioners?

We also feel that some public comment on the proposal will be necessary before a final decision is made, be that a referendum or a public hearing.

Your answers to the above questions and comments on the public comment we propose would be appreciated.

Sincerely,

*Autie F. Kelley*

Autie F. Kelley, President  
The Commissioners of St. Michaels

AFK/s

cc: H. Michael Hickson, Esquire



FEBRUARY 26, 1981

Members of the St. Michaels Utilities Commission and attorney David Mann met with Town Commissioners Autie Kelley, Irene Daffin and Edward Morris, and Town Clerk Milford Sprecher on February 26, 1981, to attempt to clarify the questions posed in the Town Commission's letter of February 25, 1981.

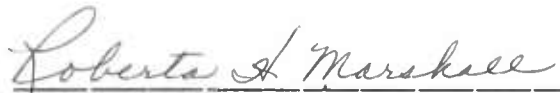
Discussion of the letter followed the format as listed in the minutes of the February 25 Utilities meeting.

Mr. Spencer reminded the Town Commissioners that the longer the delay in the Town's decision the more the Utilities will suffer, by not knowing which way to go on important matters.

The Utilities is faced with a serious cash problem at the present time, and will have to make large expenditures in the very near future. Mr. Kilmon gave a brief summary of capital needed in the next twelve months, as well as an outline of expenditures for the next three years. A decision on the personnel problem must be made at once.

The Town Commissioners stated that they will try to meet on Monday, March 2, to discuss the lease agreement.

There was no further business, and the meeting was adjourned.

  
\_\_\_\_\_  
Roberta H. Marshall, Secretary



# Delmarva Power

H. RAY LANDON  
SENIOR VICE PRESIDENT

March 2, 1981

Mr. Alex J. Spencer, President  
St. Michaels Utilities Commission  
St. Michaels, Maryland 21663

Dear Commissioner Spencer:

By letters dated January 26 and January 29, 1981, counsel to St. Michaels Utilities Commission requested that Delmarva Power & Light Company ("Delmarva Power") consider submitting a proposal to lease St. Michaels' electric plant. Accordingly, we are pleased to submit a proposal to lease St. Michaels' electric plant based on the following terms and conditions.

- 1) St. Michaels shall lease its electric plant to Delmarva Power for a period of twenty-five (25) years and Delmarva Power shall pay St. Michaels annually for such lease the sum of Two Hundred and Thirty Thousand Dollars (\$230,000) subject to revision as provided in paragraph (3).
- 2) For the period of the lease, St. Michaels shall provide Delmarva Power with franchise authority to operate that portion of said electric plant situated within the Town limits of St. Michaels and will assist Delmarva Power in obtaining similar authority to operate that portion of said electric plant located outside such Town limits.
- 3) The lease shall be effective sixty (60) days following approval by the Maryland Public Service Commission, which approval Delmarva Power agrees to request at its cost, and which both Delmarva Power and St. Michaels agree to support. Payments of one twelfth of the amount agreed to in item (1) above shall be made within fifteen (15) days following the end of each month of the lease. Such payments shall be subject to revision for the five year period following the third year of the lease and for every five year period thereafter except the last period which will be





Mr. Alex J. Spencer, President  
St. Michaels Utilities Commission

March 2, 1981  
Page 02

two years in length. St. Michaels and Delmarva Power, based upon negotiations to commence no earlier than 180 days prior to expiration of the initial three (3) year term and each extension thereof, shall agree to revisions, if any, prior to the commencement of each lease period. If St. Michaels and Delmarva Power fail to agree upon a revision, they will select a third person experienced in the utility industry, who shall recommend an appropriate revision. Such revision, if any, shall take effect after approval by the Maryland Public Service Commission. Delmarva Power agrees to request such approval from the Maryland Public Service Commission and to pay any costs associated therewith.

- 4) Delmarva Power shall make such expenditures for capital improvements to St. Michaels' electric plant during the term of the lease as are similarly appropriate to Delmarva Power's system with such expenditures to be treated as leasehold improvements. In this connection, Delmarva Power will agree to fund and manage the current Miles River Bridge crossing project. Upon termination of the lease, St. Michaels shall purchase any improvements made by Delmarva Power at net book value unless Delmarva Power becomes the purchaser of the St. Michaels' electric plant. Delmarva Power will maintain its plant records in such a manner that at the time of consideration of lease revision and lease expiration, a review of plant additions and replacements can be readily made to determine the nature and extent of those expenditures.
- 5) Delmarva Power shall maintain St. Michaels' electric plant in accordance with good utility practice and shall protect the integrity of St. Michaels' service territory.
- 6) Customers of St. Michaels shall be billed on and after the effective date of the lease by Delmarva Power at the appropriate electric rates currently in effect for customers of Delmarva Power and as approved from time to time by the Maryland Public Service Commission. Accounts receivable for services rendered by St. Michaels prior to the effective date of the lease, but not then



Mr. Alex J. Spencer, President  
St. Michaels Utilities Commission

March 2, 1981  
Page 03

billed, will be prorated between St. Michaels and Delmarva Power and the St. Michaels portion remitted to St. Michaels without set-off or discount as collected by Delmarva Power.

- 7) Delmarva Power will offer employment within Delmarva Power's service territory to all St. Michaels' electric system employees upon the effective date of the lease at wage rates equal to or above current St. Michaels' wage rates.
- 8) Delmarva Power intends to establish a customer service office in or near St. Michaels, employing customer contact and service personnel.
- 9) All useful materials, supplies and inventories associated with the electric facilities shall be purchased by Delmarva Power and paid for on the effective date of the lease. The value of such materials, supplies and inventories will be agreed upon prior to the effective date of the lease by a St. Michaels Utilities Commission representative and a person designated by Delmarva Power. In any case where agreement cannot be reached, a third person (who shall be experienced in utility property evaluation) who shall be agreed upon mutually by the representative of the St. Michaels Utilities Commission and the Delmarva Power designee shall determine such value. The basic method of evaluation to be followed shall be original cost.
- 10) All vehicles associated with the electric facilities designated by the St. Michaels Utilities Commission shall be purchased by Delmarva Power. The value of such vehicles shall be agreed upon prior to the effective date of the lease by a representative of the St. Michaels Utilities Commission and a person designated by Delmarva Power. In any case where agreement cannot be reached, a third person (who shall be experienced in utility vehicle evaluation) who shall be agreed upon mutually by a representative of the St. Michaels Utilities Commission and the Delmarva Power designee shall determine such value.



Mr. Alex J. Spencer, President  
St. Michaels Utilities Commission

March 2, 1981  
Page 04

- 11) The lease shall be a net lease. All taxes, insurance and similar expenses relating to St. Michaels' electric plant leased by Delmarva shall be paid by Delmarva Power. Delmarva Power shall maintain insurance coverage on St. Michaels' electric plant at the level maintained by Delmarva Power for similarly situated electric plant. Delmarva Power shall assume all responsibility for insurance deductibles and liability litigation related to St. Michaels' electric plant as those incidents might occur after effective date of the lease.
- 12) The lease is subject to the approval of the Maryland Public Service Commission and such other regulatory agencies having jurisdiction and to the obtaining of necessary consents from the Commissioners of St. Michaels and Delmarva Power's Board of Directors. Delmarva Power and the St. Michaels Utilities Commission agree to use their best efforts to obtain such consents and approvals promptly. Delmarva Power will pay all costs associated with obtaining such consents and approvals.
- 13) In addition to the electric plant lease, Delmarva Power shall lease St. Michaels' warehouse, garage and storage complex associated with its electric plant for Six Hundred Dollars (\$600.00) per month for a period of three (3) years. Said Six Hundred Dollars (\$600.00) to be in addition to the annual lease described in paragraph (1) and shall be payable on the fifteenth of each month following commencement of the lease.
- 14) If the Commissioners of St. Michaels accept Delmarva Power's proposal, the parties will enter into a lease based upon the principles outlined above. Said lease shall be executed within thirty (30) days following acceptance of this letter of intent.

This letter of intent is submitted in duplicate. If the foregoing is acceptable to St. Michaels, will you indicate in the space below and return one (1) copy to me.

AGREED TO: \_\_\_\_\_  
Alex J. Spencer, President  
St. Michaels Utilities Commission

Very truly yours,

DATE \_\_\_\_\_

By: \_\_\_\_\_

*H. Ray Landon*  
H. Ray Landon

Date 3/2/81



MARCH 5, 1981

Members of the St. Michaels Utilities Commission met with the Town Commissioners, Mr. Sprecher, and Town Attorney Michael Hickson to discuss additional questions listed in a letter from the Town, dated March 4, 1981.

Copies of the additional information that was requested were distributed, and copies are attached to these minutes.

Attorney Hickson stated that the Town will have to pass an ordinance in order to lease the Utilities plant, which will entail public notice and could require a referendum.

Following discussion on the advisability of consulting an engineering firm for their advice on the matter, the meeting was adjourned.

  
\_\_\_\_\_  
Roberta H. Marshall, Secretary





Commissioners of St. Michaels

ST. MICHAELS, MARYLAND 21663

SETTLED 1670-80  
INCORPORATED 1804

745-9535

March 4, 1981

Mr. Alex J. Spencer, Chairman  
St. Michaels Utilities Commission  
St. Michaels, Maryland 21663

Dear Alex:

In order for us to be able to make an informed decision regarding the lease proposal offered by Delmarva, we would like some additional information. Specifically, we would like to have the following questions answered:

1. How much revenue will the Utilities Commission yield as a result of the new rates? A yearly figure for the additional revenue gained by the rate increase will suffice.

2. What are the projected major expenditures for the next five years, broken down by project and order of importance?

3. What are the terms for payment for the work on the Miles River Bridge and the total cost we will incur as a result of the new bridge? Has a contract with the State Highway Administration been signed for that work? If so, please forward us a copy of that contract or agreement.

4. Could we have a copy of the present agreement to purchase power from Delmarva?

5. How much was Delmarva asking the Town to pay to "buy in to" the new coal-fired generating unit as disclosed in the Utilities Commission minutes of April 23, 1980?

We understand that the Utilities Commissioners are anxious to have us respond to their recommendation concerning the proposed lease. We wish to honor your request, but we feel we need to get more information and consider it thoroughly before we make a decision. This is a very important decision and one that cannot be taken lightly. We hope you understand our position on this and bear with us.

Sincerely,

*Autie F. Kelley*

Autie F. Kelley, President  
The Commissioners of St. Michaels



# ST. MICHAELS UTILITIES COMMISSION

ST. MICHAELS, MARYLAND 21663

March 5, 1981

Mr. Autie F. Kelley, President  
The Commissioners of St. Michaels  
St. Michaels, Maryland 21663

Dear Autie:

In response to your letter requesting additional information regarding the Utilities revenues and proposed expenditures we are submitting the following.

1. The Public Service Commission has granted St. Michaels a rate increase of \$73,774. The rate analyst designed the new rates for that amount, and the Public Service Commission has approved them.
2. Projected major expenditures for the next five years are attached to this letter as Exhibit 1.
3. Information on the new Miles River Bridge is attached to this letter as Exhibit 2.
4. A copy of the present agreement with Delmarva for wholesale purchased power is attached.
5. By a letter dated October 20, 1978, Delmarva offered St. Michaels Utilities participation in coal fired generation.

The costs were outlined as follows:

400 MW cost to St. Michaels	\$1,600,000
600 MW cost to St. Michaels	\$2,400,000

As you are aware at this date, there is going to be the 400 MW unit built at Vienna.



# ST. MICHAELS UTILITIES COMMISSION

ST. MICHAELS. MARYLAND 21663

page 2

Mr. Autie F. Kelley, President

The Utilities needs at least one experienced man living in or near St. Michaels. The salary estimate required is \$18,000, annually.

We also need to bring payment of the Delmarva power bill up to a current basis.

Cash needed for power bill	\$267,000
Working capital needed	\$200,000

The above amount for working capital is the amount that was listed at the St. Michaels rate hearing in September, 1980.

I trust this is the information you desire. If we can be of any further help, please let us know.

Very truly yours,

Alex J. Spencer, President  
St. Michaels Utilities Commission

AJS/m  
enc.



ST. MICHAELS UTILITIES COMMISSION  
PROJECTED MAJOR EXPENDITURES FOR THE NEXT FIVE YEARS

EXHIBIT 1

- |   |               |
|---|---------------|
| 1. Miles River Bridge, 1981 -----         | \$190,000     |
| Now in progress                           |               |
| 2. Bloomfield Substation, 1982 -----      | \$ 30,000     |
| 3. Complete Substation Tie -----          | \$ 45,000     |
| Between St. Michaels and Easton           |               |
| 4. Replace and Update Vehicle Fleet ----- | \$ 74,000     |
| Cherry picker bucket truck (1981 quote)   | \$ 60,000     |
| Small Utility Trucks and Meter Reading    |               |
| \$7,000 each                              | <u>14,000</u> |

5. Connecting New Customers:

According to our records —

1979: New Customers Connected -- 77  
1980: New Customers Connected -- 78

Capital Needed:

1981	\$100,000
1982	110,000
1983	121,000
1984	132,000
1985	<u>145,000</u>

Total Capital Required, Using 10% Inflation \$608,000

This does not take into consideration any additional growth above 1979 - 1980 growth rate. With Waste Water II. Treatment facilities this should escalate growth pattern.

- |  |           |
|--|-----------|
| 6. Complete 4 KV Conversion in Town of St. Michaels -- | \$ 40,000 |
| 7. Overhead Line Improvements -----                    | \$ 35,000 |
| Bloomfield   |           |
| Lee Haven  |           |
| Marengo Road   |           |
| Royal Oak  |           |
| Pea Neck   |           |





8. Routine Line Maintenance, Including  
Tree Trimming

1978: \$55,700

1979: 60,200

1980: 67,800

1981: 70,000

Assuming company growth and 12% inflation factor  
included.

Monies required in five years ----- \$444,600

9. Miles River Neck Feeder - Rebuild ----- \$ 42,000  
From Route 33 to Millersville  
Work should be done in 1981



ST. MICHAELS UTILITIES COMMISSION  
INFORMATION ON NEW MILES RIVER BRIDGE

EXHIBIT 2

Terms of Payment:

Engineering Fee, By Contract ----- \$ 8,200  
Payable as plans progress  
First bill of \$2,460 paid 1/26/81

Bridge Contract (Estimate by HSMM): Conduit System ----- 89,000  
Conduit System Only. Estimate Only. Will be  
billed as job progresses by State to us. State  
will not contract complete job.

Submarine Cable, (Estimate by HSMM): 35,000  
Cable costs 1/29/81 quoted \$58.54 per ft.  
Materials for attaching to bridge,  
terminating, etc., are required.  
Contractor installation costs.

Materials and Supplies:

Cable, etc., needed for conduit system  
Materials, estimate by engineers ----- 34,000  
Contractor Cost ----- 16,000

St. Michaels Utilities ----- 7,800  
Install 3 ph. Terminator Poles (2) and  
risers as required.

We have signed a contract with our engineers. We cannot  
sign a contract with the State for the conduit system because  
it has not been put to bid. It will be advertised for bids in  
May or June, 1981

TOTAL COST AS SHOWN ----- \$190,000

Terms of payment as construction progresses. All payments  
to be complete in 1982.



WHOLESALE POWER CONTRACT

between

DELMARVA POWER & LIGHT COMPANY OF MARYLAND

and

ST. MICHAELS UTILITIES COMMISSION

and

COMMISSIONERS OF ST. MICHAELS



RESOLUTION ADOPTED BY ST. MICHAELS

UTILITIES COMMISSION

RESOLVED, that the CONTRACT between DELMARVA POWER & LIGHT COMPANY OF MARYLAND, on the one part, and ST. MICHAELS UTILITIES COMMISSION and THE COMMISSIONERS OF ST. MICHAELS on the other part, dated Nov. 10, 1970, for the furnishing of electric energy by DELMARVA POWER & LIGHT COMPANY OF MARYLAND to the ST. MICHAELS UTILITIES COMMISSION is hereby accepted and approved; and the execution of said contract in behalf of ST. MICHAELS UTILITIES COMMISSION by the members constituting said ST. MICHAELS UTILITIES COMMISSION be and the same is hereby authorized.

As adopted on November 10, 1970

Roberta S. Marshall  
Secretary





ORDINANCE TO BE ADOPTED BY THE COMMISSIONERS  
OF ST. MICHAELS

AN ORDINANCE, approving and authorizing the execution of a contract between Delmarva Power & Light Company of Maryland, on the one part, and St. Michaels Utilities Commission and the Commissioners of St. Michaels, on the other, for the furnishing of electric energy by Delmarva Power & Light Company of Maryland to the St. Michaels Utilities Commission, and granting Delmarva Power & Light Company of Maryland the authority and power to use certain streets, squares, lanes and alleys in the Town of St. Michaels.

SECTION 1. BE IT ORDAINED AND ENACTED by the Commissioners of St. Michaels that the contract, dated Nov. 10, 1970, between Delmarva Power & Light Company of Maryland on the one part, and St. Michaels Utilities Commission and The Commissioners of St. Michaels on the other part, for the furnishing of electric energy by Delmarva Power & Light Company of Maryland to St. Michaels Utilities Commission, be and the same is hereby approved.

SECTION 2. AND BE IT FURTHER ORDAINED AND ENACTED that the President and Secretary of The Commissioners of St. Michaels be and they are hereby authorized, in behalf of The Commissioners of St. Michaels, to execute the aforesaid contract and to affix the seal of said town thereto.

SECTION 3. AND BE IT FURTHER ORDAINED AND ENACTED that said Delmarva Power & Light Company of Maryland, its successors and assigns, be, and it hereby is, authorized and empowered in perpetuity to erect, construct, reconstruct and maintain electric poles, lines, conductors and/or appurtenances under, along, upon, over or across the streets, squares, lanes, alleys and other public property in the Town of St. Michaels along or adjacent to the route of its existing transmission line from Easton to St. Michaels and from St. Michaels to McDaniel, which line extends through the Town of St. Michaels



in a generally northwesterly direction from the southerly to the northerly corporate limits of the town, closely paralleling the right of way of Penn Central Railroad through such town and lying adjacent thereto on its northeasterly side at varying distances therefrom; provided, however, that nothing herein contained shall, directly or indirectly, authorize or empower the said Delmarva Power & Light Company of Maryland, its successors and assigns, to distribute or sell electric energy to consumers within the service area of the St. Michaels Electric System as delineated on U. S. Geological Survey maps of Oxford, Claiborne, St. Michaels, Trape and Easton, all within the State of Maryland, on file in the offices of the Public Service Commission of Maryland, as prescribed by said Commission in its Order No. 16203 in Case No. 6017 (1966), Reports of the Public Service Commission of Maryland, Vol. 57, page 59, (except pursuant to authorization heretofore or hereafter granted by the Public Service Commission of Maryland), unless the consent of Utilities Commission and/or the Town thereto be first obtained.

SECTION 4. AND BE IT FURTHER ORDAINED AND ENACTED that this Ordinance shall take effect from the date of its passage.

As enacted on November 10, 1970

Mary A. Swell  
Clerk



. SERVICE AGREEMENT

THIS AGREEMENT made and entered into on November 10, 1970,

by and between Delmarva Power & Light Company of Maryland, a corporation duly organized and existing under the laws of the State of Maryland, (hereinafter called Seller), and Walter W. Eglseder, John T. Griffin, and Alexander J. Spencer, constituting the Utilities Commission of St. Michaels, (hereinafter called Buyer), and the Commissioners of St. Michaels, a municipal corporation of the State of Maryland, (hereinafter called town).

WITNESSETH: WHEREAS, Buyer owns, maintains and operates an electric distribution system in and around the Town of St. Michaels, Maryland and

WHEREAS, Seller owns, maintains, and operates an electric system for the generation, transmission, and distribution of electric energy and, by reason of such system, is in a position to supply the electric energy requirements of Buyer.

NOW THEREFORE, the parties hereto, each in consideration of the agreements of the other hereinafter set forth, hereby mutually agree as follows:

Article 1. Electric Energy to be Sold and Purchased

Seller agrees to sell and to provide an adequate supply of electric energy to Buyer and Buyer agrees to purchase from Seller its requirements of electrical energy for distribution to its customers.

Article 2. Delivery Point

The electric energy to be furnished under this agreement shall be delivered by Seller to Buyer at two delivery points. Number 1 delivery point at Grace Street Substation in St. Michaels, Maryland owned by Seller as now existing. Number 2 delivery point at Buyer Substation off Seller's pole number 27A near Kirkham, Maryland.



Article 3. Rate Schedule

Electric energy delivered hereunder shall be paid for under Resale Service Schedule No. 1 of Seller on file with the Federal Power Commission or any effective superseding rate schedule. This Agreement in all respects shall be subject to the applicable provisions of such rate schedule and of the General Terms and Conditions attached thereto filed with Federal Power Commission, all of which are by this reference made a part hereof.

Article 4. Delivery Voltage

Seller shall maintain at Number 1 point of delivery a nominal potential of seventy two hundred (7200)/twelve thousand four hundred and seventy wye (12,470Y) volts. At Number 2 point of delivery a nominal potential of twenty three thousand nine hundred (23,900) Delta volts.

Article 5. Buyer's Resale Rights

All electrical energy purchased from Seller shall be for sales to ultimate consumers.

Article 6. Term

This Agreement shall be effective on Nov. 10, 1970 and to continue for initial term of five (5) years from said date and thereafter from year to year unless designated by either party giving to the other party twelve (12) months written notice of cancellation prior to any anniversary date of said Agreement.

Article 7. Cancellation of Previous Contracts

This agreement supersedes and cancels, as of the effective date hereto, Sellers Rate Schedule F.P.C. No. 7 effective January 13, 1960 with Supplement No. 1 effective October 23, 1960,





Supplement No. 2 effective November 1, 1960, Supplement No. 3 effective May 1, 1963, Supplement No. 4 effective June 1, 1966, Supplement No. 5 effective February 1, 1967, Supplement No. 6 effective November 1, 1967, Supplement No. 7 effective May 1, 1969 with addendum thereto dated March 6, 1969.

Article 8. Successors and Assigns

This Agreement shall inure to and bind the successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

Attest:

By *David J. Kelly*  
Asst. Secretary

DELMARVA POWER & LIGHT COMPANY  
OF MARYLAND

By *E. D. Mortimer*  
President

Attest:

By *Mary A. Swell*  
Clerk

THE COMMISSIONERS OF ST. MICHAELS

*William K. Thurner*  
Commissioner and President

*Robert S. Seymour*  
*James H. Perkins*  
Commissioners

Attest:

*Robert L. Marshall*  
Secretary

ST. MICHAELS UTILITIES COMMISSION

*Robert L. Marshall*  
Commissioner and President

*Walter A. Edwards*  
*John F. Tupper*  
Commissioners



OCTOBER 26, 1978

All members were present at the regular meeting of the St. Michaels Utilities Commission, held on Thursday, October 26, 1978.

The minutes of the last meeting were read and approved.

The secretary reported that the new billing machine is expected to be delivered soon.

The Bloomfield Substation project is still under study.

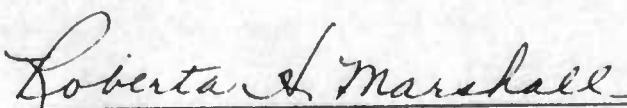
There was considerable discussion about the growth of St. Michaels' entire system, and the resulting cost to the Utilities. The subdivision at Watkins Farm on the edge of town will be started soon.

John B. Gillett and Eugene C. Smith, of the engineering firm of Whitman, Requardt and Associates, met with the Commission. After a short study of St. Michaels' financial statements, they presented a preliminary view of the Utilities' financial status, and their opinion on the rate of return. They explained that the major difference between St. Michaels and many other utilities is that St. Michaels is putting the cash flow back into assets, rather than borrowing monies to pay for them. The engineers will summarize their opinions in a letter to the commissioners, and asked that they be sent a projected budget for 1979.

Mr. Kilmon noted that the People's Counsel is already requesting the Public Service Commission to rule that Utilities be directed that they cannot disconnect customers' services for non-payment during the winter months. This situation caused a decrease in cash flow last year, and is expected to do so again. Mr. Gillett asked if the commission had considered charging interest on past-due accounts. Mr. Kilmon will look further into the matter, to see if this would be permissible under Public Service Commission rules.

A letter has been received from Delmarva regarding our interest in ownership-participation in a 400—600 megowatt coal-fired generating station at Vienna, Maryland. St. Michaels' share of the cost on the 400 MW station would be 1.6 million dollars, and on the 600 MW station it would be 2.4 million. It was unanimously decided that St. Michaels would not pursue any interest in this proposed generating plant.

There was no further business, and the meeting was adjourned.

  
Roberta H. Marshall, Secretary



DECEMBER 20, 1979

The regular meeting of the St. Michaels Utilities Commission was held on Thursday, December 20, 1979. All members were present.

The minutes of the last two meetings were approved as read.

The Utilities Commissioners and the Town Commissioners held a joint meeting on Tuesday, December 4, 1979.

Mr. Spencer questioned Mr. Kilmon about the use of the Commission's vehicles, since the price of gasoline is so high and there is a shortage of fuel. Mr. Kilmon assured the board that he is doing everything possible to conserve fuel.

Mr. Kilmon presented a report on the cost to upgrade the Bloomfield Substation. He also presented a letter from Delmarva which stated Delmarva's proposals for the Bloomfield Substation. Copies of these are attached to these minutes. Motion was made by Mr. Mowbray, seconded by Mr. Morse, and passed unanimously, to go the no-cost route and to accept Delmarva's offer on the substation to be moved to Porter's Pride, as stated in their letter of November 12, 1979. A fence and a cement pad for the transformer will be needed in the future.

The wholesale rate case before the Federal Power Commission has been settled, and a rebate check in the amount of \$80,703.64 has been received from Delmarva. Mrs. Marshall reported that the kilowatt-hour consumption of each customer has been computed, and she will begin figuring the amounts as soon as all the expenses are in. It is hoped that the rebates can be credited to the bills by the end of March.

The required information was sent to Associated Regulatory Consultants near the end of November, but no report has been received from them yet.

Delmarva has applied to the Zoning Board for a special exception to upgrade their lines from Easton to the Bozman Substation and to enlarge it. After considerable discussion, it was decided that Mr. Spencer will look into the matter further and report back to the Commissioners.

Following the presentation of the pay scale for the Commissioners' information, the meeting was adjourned.

*Roberta H. Marshall*

Roberta H. Marshall, Secretary



# Delmarva Power

November 12, 1979

Mr. Franklin R. Kilmon, Manager  
St. Michaels Utilities Commission  
St. Michaels, Maryland 21663

Dear Ray:

To finalize our many discussions on Delmarva's conversion of its Easton - St. Michaels transmission line from 25KV to 69KV and Delmarva's obligation at St. Michaels Bloomfield Station, I confirm the following:

1. Delmarva plans to construct a new 69KV transmission line and a new 25KV circuit from Easton to Bozman, Maryland. Subject to final permits, construction should be finalized and circuits energized at respective voltages May/June, 1980.
2. Delmarva plans to convert its existing 10MVA/25/12KV "Grace Street" Substation to a 20MVA/69/12KV station by Nov/Dec, 1980. The proposed bank will be 3 - 6667KVA 69/12KV single phase transformers with a spare readily available.
3. Delmarva proposes to leave St. Michaels "Bloomfield" Substation on the new 25KV circuit until 1982.
4. In 1982, Delmarva proposes to install for St. Michaels, at no cost to St. Michaels, a 69KV high-side structure necessary to contain a transformer rated at 5,000 6250KVA-69/12KV. The high-side protection will be three (3) single phase 69KV fuses. The existing transformer pad will be expanded to hold the proposed new 69KV transformer.
5. Delmarva proposes to swap, at no additional cost to St. Michaels, one (1) 5,000/6250 KVA 69/12KV transformer for St. Michaels 3750KVA 25/12KV transformer. Delmarva will install and energize the 69/12KV transformer. The then 3750KVA 25/12KV Delmarva Power owned transformer will be moved to a safe location in St. Michaels "Bloomfield" Substation.





**Delmarva**  
Power

Mr. Franklin R. Kilmon, Manager  
Page 2  
November 12, 1979

6. Delmarva proposed to sell to St. Michaels the 3750 KVA 25/12KV transformer at now going (junk scrap) price of \$2.65 per KVA. The selling price being \$9,937.50.
7. St. Michaels must relocate the 3750KVA 25/12KV transformer from the Bloomfield location to their proposed "Porters Pride" Substation.
8. Delmava will assist St. Michaels in determining the size and location of the transformer pad needed to hold the 3750KVA 25/12KV transformer at the Porters Pride location. This assistance should be coordinated with your proposed project engineer and will be at no cost to St. Michaels.

Looking forward to coordinating this project which will be beneficial to both parties:

Sincerely,

*Bill A.*

William L. Adams  
Supervisor  
Resale Services

WLA/mak

cc: Elwood Thompson  
H. P. Hoen, III  
W. G. Longest

Wilson Howard  
Carl Doughten  
Robert Rinear  
Charles Marchyshyn



ST. MICHAELS UTILITIES COMMISSION

ST. MICHAELS, MARYLAND 21663

January 15, 1980

Mr. William L. Adams  
Supervisor, Resale Services  
Delmarva Power  
800 King Street  
P. O. Box 231  
Wilmington, Delaware 19899

Dear Bill:

The St. Michaels Utilities Commissioners decided at our December, 1979, meeting to accept your letter dated November 12, 1979.

The proposals designated items numbered five through eight, we are requesting all the lead time possible in order to coordinate this portion of the project.

We wish to thank you for the manner in which you have presented this project.

Very truly yours,

Franklin R. Kilmon, Manager  
ST. MICHAELS UTILITIES COMMISSION

FRK/m



To Bette 12-20-79

St. Michaels Cost To Upgrade  
Bloomfield Sub-Station

11-12-79

A. 1- 5,000 KVA / 6250 KVA 3-phase — \$31,468.00  
Transformer with necessary extras.

B. 69-KV-Incoming Structure — \$21,000.00  
Bill Of Materials

C. Additional Items necessary to complete -- \$45,000.00  
above application.

1. Install Cement as required to support Apparatus.
2. Install Power Transformer.
3. Construct 69KV Incoming Structure.
4. Re-arrange incoming circuit.
5. Rental of Portable Sub-Station to maintain service.

Total = App. Cost at 1979 Price level 100,000.00



MARCH 25, 1981

All members were present at the regular meeting of the St. Michaels Utilities Commission, held on Wednesday, March 25, 1981.

The minutes of the February meeting were read and approved.

Neither of the insurance companies has paid the sewer damage claim, although Mr. Morse has talked to both agents. After requesting more background information, Mr. Morse stated that he will continue further with the matter.

Mr. Spencer is still trying to settle the Associated Regulatory Consultants bill with Mr. Bernstein.

Several more letters of complaint have been received. They will be answered by Mr. Simmons and Mr. Kilmon.

The People's Counsel has expressed concern for bills of customers in the Easton area due to the recent price increases and the customers' high usage in the extremely cold weather. A meeting of all the Utilities from this area will be held at the Public Service Commission on March 26, to discuss the problem. Mr. Simmons and Mr. Kilmon will represent St. Michaels.

Letters were sent out to all St. Michaels customers who are in arrears on March 18, explaining that April 1 is the deadline for paying the arrears. The customers were given the opportunity to apply at the office to arrange a weekly payment schedule, such payments to be completed by May 1, in the event they are unable to pay by April 1. Mrs. Marshall reported that nine persons have applied for the extended payment plan so far.

Mr. Kilmon reported that he met with State Highway officials and the bridge engineers on March 24 to discuss the new Miles River Bridge. Since the present bridge cable will have to be removed before construction starts on the new bridge, and replaced with a temporary submarine cable, the engineers have advised that it will be better for St. Michaels to install a permanent submarine cable across the river. Construction of the bridge will begin in the first quarter of 1982, which means that a decision must be made at once. There is a long delivery date on submarine cable, so materials must be ordered. Preliminary estimates for the cost of the submarine crossing are \$200,000, plus the work that St. Michaels must do to connect it to existing lines.

It was decided that the Commissioners must meet with Delmarva officials as soon as possible in order to get their views on the



submarine crossing in case the lease arrangement is approved. Mr. Kilmon was instructed to work up a schedule of due dates for the necessary steps in the construction process.

Mr. Kilmon also reported that Mrs. John White has filed suit against him as manager of the Utilities, alleging esthetic damages to her property when her underground line was repaired. He was instructed to call her and offer to pay for water line damages of \$72, but St. Michaels cannot set a precedent by paying for esthetic damages.

Three Utilities employees have taken C.P.R. courses, and two employees recently completed a two-day Work Area Safety Training course that was sponsored by the State Highway Administration.

There was no further business, and the meeting was adjourned.

Roberta H. Marshall  
Roberta H. Marshall, Secretary

# ST. MICHAELS UTILITIES COMMISSION

ST. MICHAELS, MARYLAND 21663

March 31, 1981

Mr. E. M. Hayward, Associate Partner  
Hayes, Seay, Mattern and Mattern  
Suite 300-S  
1776 East Jefferson Street  
Rockville, Maryland 20852

Re: Conduit Duct System and  
Electrical Transmission  
Cable for Md. Rte. 370  
Bridge over the Miles  
River  
A & E Commission No. 4071

Dear Mr. Hayward:

I am writing to confirm my phone conversation with your secretary today. She indicated you are away on vacation and Larry is also away on other business.

We are cancelling our signed contract for you to provide engineering services for the subject bridge, over Miles River.

If we owe you any additional monies for professional services rendered please submit your bill by April 14, 1981.

The St. Michaels Utilities Commission is leasing the distribution power system to Delmarva Power. They will be responsible, for any engineering or construction work on our system.

If you should desire any additional information regarding this project, contact the following company:

Delmarva Power  
800 King Street  
P. O. Box 231  
Wilmington, Delaware 19899

Attn: William Adams  
Director of Wholesale for Resale Services

Telephone: (302) 429-3249



# ST. MICHAELS UTILITIES COMMISSION

ST. MICHAELS. MARYLAND 21663

page 2

Mr. E. M. Hayward, Associate Partner  
Hayes, Seay, Mattern and Mattern

I wish to take this opportunity to thank you for working with us on this project. Should the Town of St. Michaels need engineering services in the future, I will surely recommend you.

Very truly yours,

Alex J. Spencer, President  
ST. MICHAELS UTILITIES COMMISSION

AJS/m

cc: Mr. James M. Wright, District Engineer  
Office of District Engineer  
P. O. Box 299  
Chestertown, Maryland 21620



# Delmarva Power

H. RAY LANDON  
SENIOR VICE PRESIDENT

March 27, 1981

Alex J. Spencer, President  
St. Michaels Utilities Commission  
St. Michaels, MD 21663

Dear Commissioner Spencer:

In view of the substantial progress that the Utilities Commission and Delmarva have made toward execution of a lease by which Delmarva will operate the electric system of the Town of St. Michaels, we propose extending the deadline for formal execution of this lease set out in our Letter of Intent of March 2, 1981 from April 1, 1981 until April 15, 1981.

If the Utilities Commission is agreeable to this extension, please indicate your agreement by signing in the space provided below.

Very truly yours,

DELMARVA POWER & LIGHT COMPANY

AGREED TO:

ST. MICHAELS UTILITIES COMMISSION

By: *H. Ray Landon*

H. Ray Landon  
Senior Vice President

By: *Alex J. Spencer*

Alex J. Spencer  
President

Date: 3/31/81



APRIL 22, 1981

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, April 22, 1981. Those members present were Alex J. Spencer, Ralph A. Simmons, Franklin R. Kilmon, and Roberta H. Marshall.

Miss Clifta Hope and Mrs. Helen Sixby attended the meeting. Mrs. Sixby is contemplating bringing the Delmarva lease agreement to a referendum, and desired further information on the matter,

Mr. Spencer explained the problems that face the Utilities at the present time: the lack of competent linemen, the increased capital needed due to the large amount of growth in the area as well as rising costs, and the cost of the submarine crossing at the Miles River bridge. Mrs. Sixby asked several questions about the details of the lease, and they were explained by Mr. Spencer and Mr. Simmons. They also touched on the future duties and responsibilities of the Utilities Commission if the lease arrangement takes place.

Following the departure of Miss Hope and Mrs. Sixby, the minutes of the March meeting were read and approved.

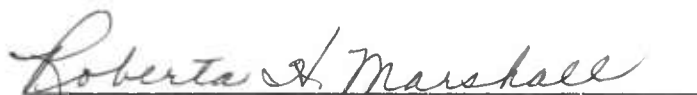
Mr. Morse has received a written memo from the adjuster who works with John Griffin, and he states that Great American does not feel they are liable for the sewer damage. A letter was previously received from Selected Risks stating that they are not liable. Neither company seems inclined to move further. Mr. Spencer will contact attorney Ernest Thompson and discuss the matter with him.

The contract with Hayes, Seay, Mattern and Mattern for engineering services for the Miles River cable crossing has been terminated. A letter accepting the termination has been received, and the final bill of \$3,185 will be paid.

Mr. Kilmon has settled the claim of Mrs. John White.

Mrs. Marshall reported that thirty-five customers took advantage of the emergency payment plan, and, of that number, six customers are now paid in full.

Following a short discussion on the plans for the addition to the St. Michaels Housing Authority, the meeting was adjourned.

  
Roberta H. Marshall, Secretary





JUNE 2, 1981

The regular St. Michaels Utilities Commission meeting for May was held on Tuesday, June 2, 1981. Members present were William A. Morse, Ralph A. Simmons, Franklin R. Kilmon and Roberta H. Marshall.

The minutes of the April meeting were read and approved.

The monthly financial statements were reviewed and discussed. It was pointed out that the year-to-date net profit is a distorted figure, mostly due to the large loss in December of 1980. Using the fiscal year figures for the year ending June 30, the net profit is in proportion to the previous year, showing an increase which is directly in proportion to the increase allowed by the Public Service Commission.

Mr. Kilmon reported that, to his knowledge, arrangements for the lease agreement are going smoothly. It does not appear likely that there will be a referendum. Delmarva is in the process of preparing the Public Service Commission filing, and it is expected that the PSC will rule on the lease in September. Details for making the transition as smooth as possible were also discussed.

There was no further business, and the meeting was adjourned.

  
Roberta H. Marshall, Secretary



Commissioners of St. Michaels

ST. MICHAELS, MARYLAND 21663

SETTLED 1670-80  
INCORPORATED 1804

745-9535

June 9, 1981

Mr. Alex J. Spencer, President  
St. Michaels Utilities Commission  
ST. Michaels, Md. 21663

Dear Mr. Spencer:

When the lease becomes effective with Delmarva and the Utilities equipment is to be sold there is some equipment we wish to keep. This includes the International flat dump truck, the chipper, the Dodge 4 wheel drive truck and possible the Ford Van. We may also be interested in some smaller tools and equipment and would be interested in examining your inventory list and any equipment on the list we may wish to keep.

We hope we can settle this sometime in the near future.

Sincerely,

*Autie F. Kelley*

Autie F. Kelley, President  
The Commissioners of St. Michaels

AFK/pke



Commissioners of St. Michaels

ST. MICHAELS, MARYLAND 21663

SETTLED 1670-80  
INCORPORATED 1804

745-9535

June 9, 1981

Mr. Alex J. Spencer, President  
St. Michaels Utilities Commission  
St. Michaels, Md. 21663

Dear Mr. Spencer:

As you may be aware, The Commissioners lease the parking lot behind the drug store and maintain it. We are planning to repave and stripe the lot. We would like to request some additional street lights for the lot and the moving of some poles along Fremont Street that will interfere with access to the lot after it has been striped. We have discussed this already with Ray and he feels there will be no problem.

We will need the poles moved before the lot is paved, so we would like to request that the planning for this job start soon.

We appreciate your consideration on this matter.

Sincerely,

*Autie F. Kelley*  
Autie F. Kelley, President  
The Commissioners of St. Michaels

AFK/pke



# Hayes, Seay, Mattern and Mattern

ARCHITECTS • ENGINEERS • PLANNERS

GLYNN D. BARRANGER  
H. BOYD DICKENSON  
BYRD H. BARKSDALE, JR.  
JOHN R. HILDEBRAND  
ERIC T. NASCHOLD, JR.  
FLETCHER F. RUSH  
J. OLIVER STEIN  
JAMES M. STRICKLAND, JR.  
JOHN P. BRADSHAW, JR.

ED M. HAYWARD  
C. H. PORTER

REPLY TO: 1776 EAST JEFFERSON STREET  
SUITE 3005  
ROCKVILLE, MARYLAND 20852

April 10, 1981

Mr. Franklin R. Kilmon, Manager  
St. Michaels Utility Commission  
P.O. Box 176  
St. Michaels, Maryland 21663

Re: Conduit Duct System and  
Transmission Cables for  
MD Rte. 370 Bridge over the  
Miles River  
A & E Commission No. 4071

Dear Mr. Kilmon:

In reference to your March 31, 1981 letter, we are halting work on the above referenced project. We understand that if any further engineering work is required, Delmarva Power will be responsible.

Our previous billing of January 26, 1981 was for 30% of the total fee per our agreement dated October 2, 1980. Since that time the portion of the work to be included in the bridge plans was finished except for final comments. We estimate that 40% of the work for the cable system has been completed. We are attaching an invoice reflecting this work.

We have enjoyed working with you. Should you need engineering services in the future, we would appreciate the opportunity to assist you.

Very truly yours,

HAYES, SEAY, MATTERN & MATTERN

  
E. M. Hayward

EMH/cc

cc: J. R. Hildebrand





# Hayes, Seay, Mattern and Mattern

ARCHITECTS • ENGINEERS • PLANNERS

St. Michaels Utilities Commission  
P. O. Box 176  
St. Michaels, Maryland 21663

1776 E. JEFFERSON ST.  
ROCKVILLE, MD. 20852

April 10, 1981

Re: Conduit Duct System and  
Electrical Transmission Cable for  
Md. Rte 370 Bridge over the Miles River  
A & E Commission No. 4071

For professional services rendered in connection with the above  
referenced project and in accordance with your letter of March 31,  
1981.

Part 1	4300 X 95% = \$4085	
Part 2	3900 X 40% = \$1560	
		<hr/>
		\$5645
Less previous billing	2460	
		<hr/>
Total this invoice	\$3185	

cc

O.K.  
F.R.K.

*Paid*  
4/30/81  
#7717  
(5-5)



JUNE 2, 1981

The regular St. Michaels Utilities Commission meeting for May was held on Tuesday, June 2, 1981. Members present were William A. Morse, Ralph A. Simmons, Franklin R. Kilmon and Roberta H. Marshall.

The minutes of the April meeting were read and approved.

The monthly financial statements were reviewed and discussed. It was pointed out that the year-to-date net profit is a distorted figure, mostly due to the large loss in December of 1980. Using the fiscal year figures for the year ending June 30, the net profit is in proportion to the previous year, showing an increase which is directly in proportion to the increase allowed by the Public Service Commission.

Mr. Kilmon reported that, to his knowledge, arrangements for the lease agreement are going smoothly. It does not appear likely that there will be a referendum. Delmarva is in the process of preparing the Public Service Commission filing, and it is expected that the PSC will rule on the lease in September. Details for making the transition as smooth as possible were also discussed.

There was no further business, and the meeting was adjourned.

  
\_\_\_\_\_  
Roberta H. Marshall, Secretary



Commissioners of St. Michaels

ST. MICHAELS, MARYLAND 21663

SETTLED 1670-80  
INCORPORATED 1804

745-9535

June 9, 1981

Mr. Alex J. Spencer, President  
St. Michaels Utilities Commission  
ST. Michaels, Md. 21663

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We hope we can settle this sometime in the near future.

Sincerely,

*Autie F. Kelley*

Autie F. Kelley, President  
The Commissioners of St. Michaels

AFK/pke



Commissioners of St. Michaels

ST. MICHAELS, MARYLAND 21663

SETTLED 1670-80

INCORPORATED 1804

745-9535

June 9, 1981

Mr. Alex J. Spencer, President  
St. Michaels Utilities Commission  
St. Michaels, Md. 21663

Dear Mr. Spencer:

As you may be aware, The Commissioners lease the parking lot behind the drug store and maintain it. We are planning to repave and stripe the lot. We would like to request some additional street lights for the lot and the moving of some poles along Fremont Street that will interfere with access to the lot after it has been striped. We have discussed this already with Ray and he feels there will be no problem.

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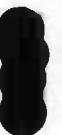
We appreciate your consideration on this matter.

Sincerely,

*Autie F. Kelley*  
Autie F. Kelley, President  
The Commissioners of St. Michaels

AFK/pke





JUNE 24, 1981

All members were present at the regular meeting of the St. Michaels Utilities Commission held on Wednesday, June 24, 1981.

The minutes of the last meeting were approved as read.

Mr. Kilmon reported that he has spoken to the Delmarva man who will head the transition team for the lease arrangement. After Public Service Commission approval is received, Delmarva will set the date for the lease to begin, which will be scheduled as closely as possible to St. Michaels' regular meter reading dates. Delmarva will also set the dates for taking inventory and the truck appraisal.

A letter has been received from the Town Commissioners requesting additional street lights and relocation of some of the poles in the parking lot behind Hudson's Drug Store. Mr. Kilmon advised the Commissioners that he has met with Mr. Sprecher and will work with him on the project. As soon as the water lines are installed, Mr. Cheezum will notify Mr. Kilmon that he can begin work.

Another letter was received from the Commissioners, listing several items of Utilities equipment that the Town would like to retain for its use. The Utilities wishes to accommodate the Town in every way possible, and to this end will request that Delmarva personnel look over the equipment as soon as possible in order to find out what equipment Delmarva will not need.

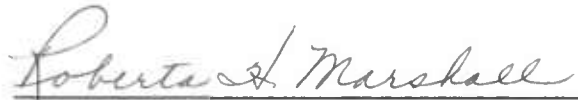
Mr. Kilmon mentioned the radio equipment that has been in his home as part of the operation of the Utilities. The Commissioners will discuss this matter later.

Mr. Kilmon reported that new work is not stopping because of the lease, and noted that Delmarva has offered engineering help if it is needed for new subdivisions or other large jobs. There was a discussion on the feasibility of buying some of the materials for a large project from Delmarva. Mr. Kilmon was instructed to find out more about this, and report back to the Commissioners. Delmarva has also offered help in case of a major emergency, and then bill St. Michaels for their services.

A bill has been received from the Public Service Commission for fees covering the period ending June 30, 1982. Mrs. Marshall will check with them to see if a portion of that can be paid at this time. She will also check with Benson & Wales to see if the insurance policy for the trucks can be paid for a six-month period rather than a full year in advance.

There was discussion about the pass-through Power Adjustment Charges for the last St. Michaels meter readings at the time of the Delmarva take-over. Mr. Spencer will check into this matter with Delmarva officials.

There was no further business, and the meeting was adjourned.

  
\_\_\_\_\_  
Roberta H. Marshall, Secretary

JULY 29, 1981

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, July 29, 1981. Members present were Alex J. Spencer, Ralph A. Simmons, Franklin R. Kilmon, and Roberta H. Marshall.

The minutes of the June meeting were read and approved.

Mr. Spencer has received a copy of a letter that St. Michaels' attorney has written to Benson & Wales regarding the damage to the County sewer line. It is the attorney's opinion that the Selected Risks auto policy is liable for the claim.

The fleet policy with Selected Risks will not be renewed, and the Griffin Insurance Agency has written a new policy on the Utilities vehicles.

Mr. Kilmon reported that the work has been completed at the parking lot behind Hudson's Drug Store.

Mr. Spencer talked to William Adams of Delmarva regarding the final month's power adjustment charges, and he has been assured that it will be worked out with no loss to St. Michaels.

The Public Service Commission bill for fees covering the period June 30, 1982, will be paid in quarterly installments. This bill will be brought to the attention of the Delmarva transition team, with the idea that Delmarva will be responsible for the amount remaining at the time of the lease.

Mr. Kilmon and Mr. Sprecher have discussed the items of equipment that the Town would like to reserve from the sale to Delmarva. The Delmarva transition team will price all the items of Utilities equipment, and then release whatever items the Town desires. The payment to the Town will be reduced by the dollar amount set on whatever equipment the Town decides to keep.

The current financial statements were reviewed, and a discussion followed concerning the record keeping that will be required after the lease is in effect. It was noted that Delmarva will report to the Utilities Commission on a regular basis on the state of the St. Michaels system.

Mr. Kilmon has received a letter from Lake R. Slacum, Special Projects Coordinator for Delmarva, regarding the supply of materials and assistance to St. Michaels until the lease takes place.

Mr. Kilmon reported that St. Michaels Utilities, Penn Communications, Delmarva and C & P Telephone are doing the field work and engineering necessary to initiate the pole lease agreement for cable TV. Delmarva will then sign the pole lease agreement.

Mr. Kilmon also reported that he has had a problem with the service location for the Housing Authority. Mr. Spencer will see if the Housing Authority can get a right of way so that St. Michaels can serve power from the most advantageous place. Delmarva has offered to build the line to the project. Mr. Kilmon will not make any decisions on this until he hears from the Housing Authority about the right of way.

There was no further business, and the meeting was adjourned.

*Roberta H. Marshall*

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Roberta H. Marshall, Secretary

Delmarva Power & Light Company  
Southern Division General Office  
U.S. 13 & Naylor Mill Rd. • P.O. Box 1739  
Salisbury, MD 21801  
(301) 546-6000

**Delmarva  
Power**

July 28, 1981

Mr. Franklin R. Kilmon  
St. Michaels Utilities Commission  
St. Michaels, Maryland 21663

Dear Ray:

In response to your request, we have established two holding accounts, one for material and one for labor costs. These accounts will be used to supply you assistance and/or materials as you require. Items entered in these accounts will be "at cost" for Delmarva. Upon the effective date of lease, the accounts will be analyzed by our staff. Expenditures which can be classified as capital will be entered in the lease-hold books and items of maintenance will be billed to St. Michaels Utility Commission. Should the lease be disapproved by the regulatory bodies, then St. Michaels would be billed for all entries in these two accounts. The labor account would include overhead costs. It will be necessary that you provide us with a list of authorized persons who can call for service or materials.

The Cambridge District, under the direction of Don Messick, will provide material at your request. You can contact Don at our Cambridge office (228-3880) or by calling our Oxford office (822-7130).

Should you require emergency service, you or your representative will call 822-7130 day, night, weekend, or holiday. Rest assured that Delmarva's efforts will be consistent with our standard operating procedures to restore service in a safe and efficient manner. Our liaison for operating problems will be Wendell Vickers who can be reached at any time by the persons answering the emergency number (822-7130).

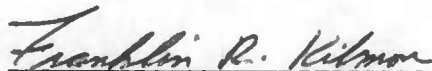
If the conditions and terms of this agreement are satisfactory to St. Michaels Utilities, please approve by signing on the line below. Should you desire, you may cancel this arrangement at any time, and St. Michaels would be billed for any costs accumulated in the special accounts.

If you have any questions, or if I can clarify any points, feel free to call me at any time.

Very truly yours,



Lake R. Slacum  
Special Projects Coordinator



Franklin R. Kilmon, Manager  
St. Michaels Utilities Commission  
St. Michaels, Maryland

LRS/erd

CC: Alex Spencer, Chairman  
St. Michaels Utilities Commission



AUGUST 26, 1981

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, August 26, 1981. Members present were Alex J. Spencer, Ralph A. Simmons, Franklin R. Kilmon, and Roberta H. Marshall.

Lake R. Slacum and Kenneth Jackson, representatives of Delmarva Power, attended the meeting in order to answer some of the questions that have recently come up regarding the transition period.

Mr. Slacum, Special Projects Coordinator, explained that Delmarva will handle St. Michaels' Customer Accounts Receivable for ninety days, and at the end of that period will return any unpaid accounts to St. Michaels.

The matter of St. Michaels customers' meter deposits was discussed. The Commissioners have agreed that St. Michaels cannot afford to return the deposits to customers before their final billing, so Delmarva was requested to credit the meter deposits to the final bills. Mr. Jackson said he thought this could be worked out, and Delmarva will put their proposals regarding the meter deposits in writing so that there will be no misunderstanding by either party.

Mr. Simmons asked if the St. Michaels customers will understand the change. Mr. Slacum stated that a letter of explanation will be mailed to St. Michaels customers on the day the lease takes effect. There will be a follow-up explanation enclosed with the first bill.

There was discussion about Delmarva's offer for St. Michaels' transportation equipment. Mr. Slacum explained that the offer was based on market value of the equipment, since they plan to sell at auction anything they get from St. Michaels. The Commissioners plan to look to a few private buyers before responding to the Delmarva bid.

In closing, Mr. Slacum informed the Commissioners that once the lease takes effect, former St. Michaels employees (who will then be Delmarva employees) will not be allowed to work for the St. Michaels Utilities Commission, on an hourly or a part-time basis. At this point Town Clerk Milford Sprecher was called into the meeting and so informed. The Delmarva representatives did agree to allowing Mrs. Marshall to advise Mr. Sprecher for short periods of time during working hours.

Following the departure of the Delmarva representatives and Mr. Sprecher, the minutes of the July meeting were approved.



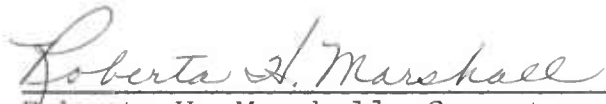
A letter has been received from Selected Risks, claiming no responsibility for the claim to the Talbot County Sewer System. A copy of the letter will be sent to the Attorney, as well as to the Griffin Insurance Agency.

Two letters were received from the Town, thanking the Utilities for the work at the parking lot, and requesting two additional street lights. Mr. Kilmon reported that this has already been taken care of.

The question of the status of St. Michaels' franchise during the lease period was discussed. Mr. Simmons will write a letter to David Mann, requesting him to look into the matter.

Mrs. Marshall requested that the Commissioners make a decision on the Sid Peters Martingham account in the near future. The Utilities auditor will be requested to meet with Mr. Simmons and Mrs. Marshall to resolve the matter.

There was no further business, and the meeting was adjourned.

  
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Roberta H. Marshall, Secretary

# ST. MICHAELS UTILITIES COMMISSION

ST. MICHAELS, MARYLAND 21663

August 26, 1981

J. David Mann, Jr., Esq.  
Morgan, Lewis and Bockius  
1800 M Street, N.W.  
Washington, D. C. 20036

Re: Lease of St. Michaels  
Electric Plant to  
Delmarva Power

Dear Dave:

It has just come to the attention of the Commissioners that a representative of Delmarva has approached Mr. Albert K. Wood of the Talbot County Government seeking some type of authority to operate the electric system in the county. We are unsure as to exactly the authority requested but believe that it has something to do with the franchise. The language of the lease talks about St. Michaels providing Delmarva with "franchise authority to operate that portion of said electric plant situated within the town limits .... and will assist in obtaining similar authority .... outside such limits."

The Commissioners are concerned that we protect our franchise to operate in the presently-designated geographical area for the years to come. At the same time, we recognize it as our responsibility to assist Delmarva in obtaining the necessary authorities. The purpose of this letter is to make you aware of the Delmarva action and to request you to insure that we are properly protected in our long-range interests. If there is anything that we should do or any information that we can obtain for you, please let us know.

Thank you for your assistance and cooperation.

Sincerely,



Ralph A. Simmons

RAS/m



MORGAN, LEWIS & BOCKIUS

COUNSELORS AT LAW

1800 M STREET, N.W.

WASHINGTON, D.C. 20036

TELEPHONE: (202) 872-5000

PHILADELPHIA  
NEW YORK  
HARRISBURG

LOS ANGELES  
MIAMI  
PARIS  
ASSOCIATED OFFICE

J. DAVID MANN, JR.  
DIAL DIRECT (202) 872-5010

September 8, 1981

Mr. Ralph Simmons  
The Cannonball House  
St. Michaels, Maryland 21663

Re: Lease of St. Michaels Electric  
Plant to Delmarva Power

Dear Ralph:

Following receipt of your letter of August 26, in which you discuss action by the Talbot County Council concerning Delmarva's franchise rights to operate the St. Michaels system, I talked with Albert Wood, who told me that, indeed, the County Council had acted sometime ago on this matter. I then talked with Mary Foster, secretary to the County Council, who, at my request, sent me a copy of the Minute of the meeting in which action was taken, together with a copy of the Resolution which was adopted. The Minute and the related Resolution are attached.

You will note that the Minute reflects Delmarva's desire to clarify the status of franchise rights which it had obtained in 1951 with respect to service in Talbot County, indicating that some uncertainty exists as to the precise authority Delmarva may have to serve electricity within the territory currently served by St. Michaels; that Delmarva is simply anxious to have such uncertainty removed. The Resolution itself (midway in Section 1) indicates that the exercise of rights applicable to St. Michaels' territory is to be limited to the effective term and any extensions thereof of the Lease between St. Michaels and Delmarva.

While, had I known of Delmarva's proposed action, I would have asked that the Lease be incorporated by reference and, therefore, made a part of the formal record before the Talbot County Council, it seems reasonably clear that what Delmarva has sought and what the Council has



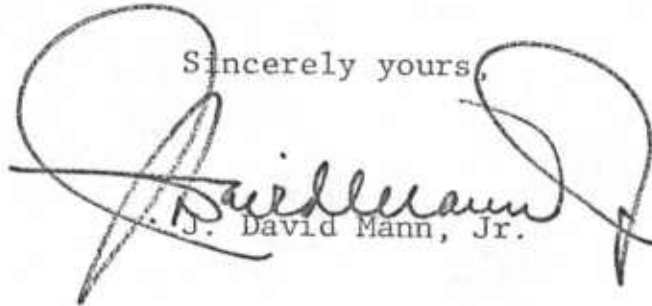
MORGAN, LEWIS & BOCKIUS

Mr. Ralph Simmons  
September 8, 1981  
Page Two

granted is nothing more than a clarification of authority which, presumably, exists anyway. What has been done is certainly not inconsistent with the terms of the Lease, nor with the proposal presented to the Maryland Public Service Commission. In consequence, and to speak directly to your letter of August 26, I do not believe there is anything related to Talbot County Council action that you should do to protect St. Michaels' long-range interests.

If you or either of the other Commissioners has any question about this, please do not hesitate to get in touch with me.

Sincerely yours,



J. David Mann, Jr.

Attachments

cc: ✓ Mr. Alex J. Spencer  
Mr. William A. Morse



Minutes

Tuesday, August 4, 1981

Page 4.

Perkins - aye

Andrew - aye

Hill - aye

Bradley - aye

Slaughter - aye

County Engineer Robert Rauch asked the Council to indicate support of the wastewater treatment alternative of a collection system, pumping to the St. Michaels Wastewater Treatment Plant as presented at the recent public hearing in Royal Oak. He said it was the concensus of those present at the hearing that this alternative would be supported; and he feels that the Public Works Advisory Board, which will meet on August 6, will have no strong objections to this plan. He said action is needed to earmark the funds for this project and is an administrative step to keep the grant in motion. Motion was made by Mr. Bradley, seconded by Mr. Hill and carried to support the alternative of a collection system pumping to the St. Michaels Wastewater Treatment Plant for the Royal Oak-Newcomb area.

Perkins - aye

Andrew - aye

Hill - aye

Bradley - aye

Slaughter - aye

Mr. Rauch reported that delivery of a map file for his office has been delayed another 12 weeks. He asked the Council's permission to go to the second low bidder for this equipment, which happens to be \$100 over the money budgeted for the purchase, providing he can work it out budget-wise, and if he can get delivery at an earlier date from the other supplier. He said the same company is providing the printer, but the second bid is within \$25.00. Council granted permission.

Mr. Bill Adams, of Delmarva Power & Light Co., informed the Council that his company is arranging to lease the St. Michaels Utilities Electric System for a 25 year period; and he asked the Council to adopt an administrative resolution granting Delmarva Power & Light a franchise to serve the area now served by St. Michaels. Mr. Adams told the Council that in 1951 the County Commissioners granted Delmarva a franchise to operate in other areas of Talbot County, but there is a question in their mind as to whether the County intended them to serve this

continued ....





Minutes

Tuesday, August 4, 1981

Page 5.

particular area; and to clarify this they ask to have this resolution adopted. County Attorney Charles Collett said the resolution submitted by Mr. Adams essentially provides the same requirements and rights as the 1951 resolution; however, he felt other County agencies should have an opportunity to express any concerns or interest in the service area. Mr. Collett said the County Planner has no problem or concern. County Engineer Robert Rauch asked about the width of the railroad right-of-way, which has been acquired by Delmarva; and he wanted to know if the County would be allowed to place sewer lines there. Mr. Adams said it is a 66 foot right-of-way acquired from Penn Central Railroad; and there is no more room for overhead lines; however, anything underground would be no problem whatsoever, saying they work with other utilities all the time. Mr. Slaughter asked about using the railroad right-of-way for a beltway around St. Michaels. Mr. Adams said this matter has already been discussed with St. Michaels Planning Commission; and as soon as the arrangements are consummated, Delmarva's engineers will work with the town to see what might be possible. He said their poles have to be somewhere; but, since they are in the business to sell electricity, they have an interest in having good roads. After further discussion in which Mr. Adams was asked to furnish the County with a letter that Delmarva will cooperate with the County in the placement of sewer lines and possible road structuring around the town using their right-of-way, if possible, motion was made by Mr. Bradley, seconded by Mr. Hill and carried that based on this, the Council will adopt the administrative resolution (copy of which is included in these Minutes).

Perkins - aye

Andrew - aye

Hill - aye

Bradley - aye

Slaughter - aye

Sgt. William LeFevre, of the State Police Resident Trooper Program, presented an agreement for continuation of the program in accordance with the Council's wishes for a reduction from five to two men. He said he understands that Mr. Hill is working with Lt. Sheridan on a one-to-one basis, but offered his services for anything that might be needed. He said Cpl. Thursby Cooper will continue primarily with investigative work, assisted when needed by Trooper Fred Barnes, who will work with the crime prevention aspect. He said Trooper Barnes has the experience and flexibility at the Commander's discretion to be put in investigation. Mr.

continued....



8/4/81  
RESOLUTION ADOPTED BY THE COUNTY COUNCIL  
OF TALBOT COUNTY

WHEREAS, the Delmarva Power & Light Company, a Delaware and Virginia corporation ("Delmarva"), duly authorized to do business as an electric utility in the State of Maryland, has made application to the County Council of Talbot County, Maryland, a municipal corporation of the State of Maryland ("Talbot"), for the assent of the County Council of Talbot County to exercise, by Delmarva, its successors and assigns, of Delmarva's electric franchises, including the power and authority conferred by Section 143, Chapter 55, Acts of the General Assembly of Maryland for 1910, now codified as Section 167, Article 23, Annotated Code of Maryland, provided the Public Service Commission of Maryland shall authorize Delmarva to lease the St. Michaels municipal electric system and to serve St. Michaels' customers.

NOW, THEREFORE, BE IT RESOLVED by the County Council of Talbot County, a municipal corporation created by and existing under the laws of the State of Maryland:

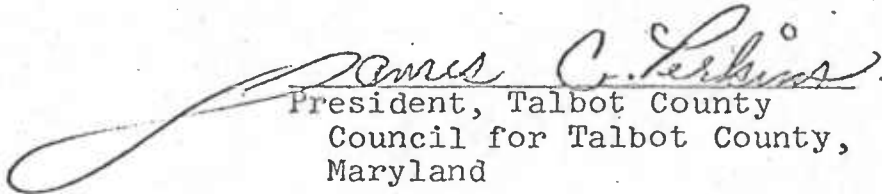
Section 1. That the County Council of Talbot County hereby assents to the exercise by Delmarva Power & Light Company, a Delaware and Virginia corporation duly authorized to do business as an electric utility in the State of Maryland, its successors and assigns, within and throughout that portion of Talbot County presently allocated to the municipal electric system of St. Michaels by the Public Service Commission of Maryland, of Delmarva's electric franchises, including the power and authority conferred by Section 143, Chapter 55, Acts of the General Assembly of Maryland for 1910, now codified as Section 167, Article 23, Annotated Code of Maryland, which said statute is hereby made a part hereof to the same extent as though herein set forth, for, during and limited to the effective term and any



extensions of the Lease between St. Michaels and Delmarva whereby Delmarva will operate the St. Michaels municipal electric system and serve St. Michaels' electric customers, provided that the rights and privileges hereby granted to Delmarva shall not be construed nor operate to limit or restrict in any way any similar rights and privileges previously granted to Delmarva by the County Council of Talbot County or any of its predecessors.

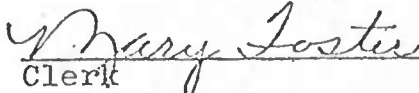
Section 2. That Delmarva, its successors and assigns, shall replace, relay and repair any sidewalk, street, pavement or surface that may be injured or displaced by it in the exercise of the said power and authority conferred upon it as aforesaid, and that said power and authority shall be exercised in accordance with the standards, rules and regulations now or hereafter prescribed by the Public Service Commission of Maryland.

Section 3. That Delmarva, its successors and assigns, shall indemnify and save harmless Talbot County and the County Council of Talbot County from any loss, damage or injury sustained by any person, firm or corporation arising from the negligent exercise by Delmarva, its successors and assigns, of the rights and power hereby assented to as aforesaid.

  
President, Talbot County  
Council for Talbot County,  
Maryland

CERTIFIED COPY OF RESOLUTION

I, MARY FOSTER, Secretary of the County Council of Talbot County, do hereby certify that the above is a true and correct copy of a Resolution duly adopted in conformity with applicable law and ordinances by the County Council of Talbot County on behalf of the County of Talbot, at a properly called and lawful meeting of said County Council on the 4th day of August, 1981.

  
Clerk

S E A L



ANNOTATED CODE OF MARYLAND - ARTICLE 23

167. Any electric light or power company formed under this article shall have full power to manufacture, sell and furnish such quantities of electric light or electric power as may be required or desired in any city, town or county of this State, in which or adjoining which the same may be located, for lighting the streets, roads, public or private buildings, or for motive power or other purposes, and such corporation is hereby authorized and empowered to lay, construct or build lines or conductors under, along, upon or over the streets, squares, lanes, alleys and roads, paved or unpaved, and connect the same with any manufactory, public or private building, lamps or other structure or object, and with the place of supply, after first securing the proper assent of the municipal authorities of said city or town, or of the county commissioners of said county, under such reasonable and proper regulations and conditions that may be prescribed by them; subject, however, also to any law or ordinance that may be passed by the municipal authorities of the city or town, or of the county commissioners, having jurisdiction, for the filling up or restoring such streets or roads to their former condition.





MEMO: MEETING OF SEPTEMBER 17, 1981

Members present were Alex J. Spencer, William A. Morse, Franklin R. Kilmon, Roberta H. Marshall. John Keen and Henry Leonard attended the meeting, representing Faw, Casson & Co., the Utilities auditing firm. Meeting started at 9:00 a.m.

Purpose of the meeting was to work out the details regarding the transition to Delmarva.

Mr. Spencer stated that St. Michaels Utilities Commissioners will remain active, although in a different role, using part-time help in coordination with the Town. He has several things in mind for the future, including contacting other Utilities that have leased their systems. In this way, he hopes to gain information on possible future problems.

John Keen explained that the current audit covers everything through June 30, 1981. Faw, Casson will perform the wrap-up audit as soon as possible after the books can be closed, rather than waiting until next June. Mr. Keen will contact the auditing division of the Maryland Public Service Commission to find out if St. Michaels will still be responsible for filing the Annual Report each year.

A list of steps to be taken before the lease agreement takes effect was presented for review. Two letters from Delmarva, stating their position on various steps in the agreement, were also reviewed.

Mr. Kilmon announced that Delmarva has looked over the inventory, and will use the September 30 book value as a base, adjusted as of October 15.

Delmarva will purchase the Utilities underground fault locating equipment. A price of \$2,600 has already been agreed upon for the communications equipment.

There is still an amount of \$2,274.28 due to the Public Service Commission for the Regulatory Filing Fee. Delmarva will be requested to pay this bill, since it is based on the year 7/1/81 through 6/30/82.

There was considerable discussion about the Customer Advances for Construction account. It was agreed that Delmarva should not have the use of this money. The auditors advised that it be put in an escrow account, and carried on the books of St. Michaels Utilities as an asset. Delmarva will be asked to notify St. Michaels when lots are hooked up, and it will be St. Michaels' responsibility to rebate the money to the customer at that time.

A tentative list of things to be done after the lease takes effect was reviewed. Mrs. Marshall will compile a complete list of the items that will need settlement at the date of takeover.

Meeting adjourned at 12 noon.

*RHM*  
Roberta H. Marshall, Secretary



STEPS TO BE TAKEN FOR LEASE AGREEMENT

- Sept. 21 Read four Town meter books (1,2,3,6)
- Sept. 22 Read last two Town meter books (4,5)
- Sept. 22 Apply gross rates to Town Accounts, and begin billing process.
- Sept. 28 Mail Town bills. This is the last full month's billing for people in the town limits.
- Sept. 25-  
Oct. 2 Read Rural meter books as explained on attached schedule.
- Sept. 29 Begin billing process for Rural customers. (Sooner, if possible)
- Oct. 2 Mail Town two-month notices, asking payment of arrears by October 9.
- Oct. 6 Apply gross rates to Rural accounts. According to our rules, this can be done as early as Sept. 1, since last billing was mailed on Sept. 11 instead of the 15th. However, this may cause more confusion than it is worth.
- Oct. 9 Mail Rural bills. (Last full month's billing for rural)
- Oct. 9  
or 13 Ray Kilmon will start removing radio equipment from all vehicles, with help from Delmarva personnel. Delmarva will purchase all radio equipment for a total of \$2,600.
- Oct. 13 Vehicles will be readied for delivery to private buyers and Town Commissioners.
- Oct. 13 Utilities payroll will be brought up to date for payment by check on final day.
- Oct. 14 Vehicles will be delivered to private buyers and Town.
- Oct. 14 Town Clerk Sprecher will come by the Utilities shop to take possession of everything that has not been sold.
- Oct. 15 Lease Agreement will begin.
- Oct. 15 Delmarva meter reading begins as explained on attached Delmarva cycle schedule. Bills will be prorated by Delmarva, and meter deposits will be credited. (See attached letter.)



# Meter Reading Schedule

9-2-81

## Read Town Meters:

Sept. 21, 1981

Book # 1 \_\_\_\_\_ Curtis  
Book # 2 \_\_\_\_\_ Curtis  
Book # 3 \_\_\_\_\_ Ken  
Book # 6 \_\_\_\_\_ Ken

Sept. 22, 1981

Book # 4 \_\_\_\_\_ Paul  
Book # 5 \_\_\_\_\_ Curtis

## Read Rural Meters:

Book # 7.1 \_\_\_\_\_ Read - Sept. 28 Th. \_\_\_\_\_ Curtis  
Book # 7.2 \_\_\_\_\_ Read - Sept. 29 Th. \_\_\_\_\_ Curtis  
Book # 8.1 \_\_\_\_\_ Read - Sept. 30 Th. \_\_\_\_\_ Curtis  
Book # 8.2 \_\_\_\_\_ Read - Oct. 1 ST. \_\_\_\_\_ Curtis  
Book # 12 \_\_\_\_\_ Read - Sept. 25 Th. \_\_\_\_\_ Curtis ✓  
Book # 15 \_\_\_\_\_ Read - Oct. 2 nd. \_\_\_\_\_ Curtis

Book # 14 \_\_\_\_\_ Read - Sept. 28 Th. \_\_\_\_\_ Ken  
Book # 16 \_\_\_\_\_ Read - Sept. 29 Th. \_\_\_\_\_ Ken  
Book # 10 \_\_\_\_\_ Read - Sept. 29 Th. \_\_\_\_\_ Paul  
Book # 13 \_\_\_\_\_ Read - Sept. 25 Th. \_\_\_\_\_ Ken ✓

Book # 9.1 \_\_\_\_\_ Read - Sept. 28 Th. \_\_\_\_\_ Paul  
Book # 9.2 \_\_\_\_\_ Read - Sept. 28 Th. \_\_\_\_\_ Paul  
Book # 11.1 \_\_\_\_\_ Read - Sept. 25 Th. \_\_\_\_\_ Paul ✓  
Book # 11.2 \_\_\_\_\_ Read - Sept. 25 Th. \_\_\_\_\_ Paul ✓



MICHAELS

DELMARVA

BOOK #	#ACCOUNTS	CYCLE	BOOK #	READ DATE
1	117	1	100	10-28
2	148	2	105	10-29
3	84	3	110	10-30
6	91	3	115	10-28
4	147	4	120	11-2
5	158	5	125	11-3
7.1 (acct <sup>Buttord</sup> 7-35.52		6	130	11-4
7.1 acct <sup>michisl</sup> 7-35.53		7	135	11-5
7.2	113	8	140	11-6
	154	9	145	11-7
16	181	10	150	11-10
8.1	146	11	155	11-11
8.2	108	12	160	11-12
9.1	104	13	165	10-15
9.2	87	14	170	10-16
10	156	15	175	10-19
11.1	92	16	180	10-20
11.2	104	17	185	10-21
12	59	18	190	10-22
13	138	19	195	10-23
15	121	20	200	10-24





## Internal Correspondence

**Delmarva  
Power**

Date: September 14, 1981  
Subject: St. Michaels Transition  
From: W. K. Jackson  
To:

On Thursday, August 13th a meeting was held in St. Michaels to discuss conversion procedures. In attendance were Alex Spencer, Bobbie Marshall, and utility auditors from St. Michaels; Wayne Yerkes, Bob Detwiler, Jack Hoag, and myself from Delmarva. The following issues were discussed:

1. St. Michaels Deposits:  
St. Michaels deposits will be refunded according to procedures outlined in letter to Alex Spencer dated September 8, 1981.
2. St. Michaels Billing Procedures:  
All regular billing of St. Michaels accounts will be completed prior to the effective date of the lease by St. Michaels personnel; the St. Michaels final billing will be completed on cycle basis by Delmarva personnel.
3. St. Michaels will waive the late payment charge on all final bills.
4. Delmarva will read the St. Michaels meter on 12:01 AM on the takeover date; a final bill will be rendered as quickly as possible. St. Michaels personnel will calculate the purchase power cost to be applied to the St. Michael's final bill.
5. All Commercial demand metered accounts will be read on takeover date. All other accounts will be read on a cycle basis; the readings then prorated between St. Michaels and Delmarva from the last St. Michaels reading date to the current Delmarva cycle date.
6. St. Michaels final billings will be completed by Delmarva personnel.
7. The account receivable balances will be taken by both St. Michaels and Delmarva Power after 5 PM on the day prior to Delmarva Power conversion. The balances plus the St. Michaels final billing will be collected by Delmarva for ninety days. Receipts will be deposited

THE STATE OF TEXAS, COUNTY OF DALLAS, ss. I, the undersigned, a Notary Public in and for said State, do hereby certify that the within and foregoing is a true and correct copy of the original of the same, as the same appears from the records of said County.

Witness my hand and the seal of said County, at Dallas, Texas, this 1st day of January, 1901.

Notary Public in and for the State of Texas.

My Comm. Expires Jan. 1, 1902.

Notary Public in and for the State of Texas.

My Comm. Expires Jan. 1, 1902.

St. Michaels Transition  
September 14, 1981  
Page #2

in Delmarva's bank account and recorded on the daily cash report under a special symbol. Checks will be issued to St. Michaels as decided by St. Michaels and Delmarva management. At the end of ninety days all remaining unpaid accounts will be returned to St. Michaels for final disposition.

*W. K. Jackson*  
W. K. Jackson

WKJ:jfc



Delmarva Power & Light Company  
Poplar St. & Maryland Ave. • P.O. Box 471  
Laurel, DE 19956  
(302) 875-7517

**Delmarva  
Power**

**W. Kenneth Jackson**  
District Manager  
Laurel • Federalsburg Districts

September 9, 1981

Mr. Alex Spencer, President  
St Michaels Utility Commission  
St Michaels, Md. 21663

Dear Mr. Spencer;

Listed are the proposed procedures to apply or refund St Michaels security deposits as requested in the meeting of August 26, 1981.

1/ Prior to Effective Date of Lease

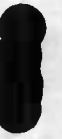
- a/ Delmarva personnel will separate and file the deposits by St Michaels meter reading routes.
- b/ Upon receiving the effective date of lease Delmarva personnel will calculate the interest from Jan. 1, 1981 thru the effective date.
- c/ Delmarva personnel will list the totals for each route on "St Michaels Deposit Control" form, Exhibit A. List the totals for all routes on total column.
- d/ Delmarva personnel will balance deposit control form to St Michaels control.
- e/ Delmarva personnel will complete steps 1 thru 5 on "St Michaels Deposit Apply - Refund" form, Exhibit B.



## 2/ Effective Date of Lease

- a/ Delmarva personnel will apply the deposit to each account in that route or cycle. The final bill plus any arrears will appear on the bill; the deposit and accrued interest will be shown as a separate item. The balance, (billing plus arrears minus deposit) whether credit or debit, will be shown under "amount" on final bill to customers.
- b/ Delmarva personnel will list the final bill plus any arrears amount in column 6 (apply to account) on deposit apply-refund form for each customer on that cycle.
- c/ Delmarva personnel will list any remaining credit in column 7 (refund to customer) for each customer in that cycle.
- d/ St Michaels will issue one check to "St Michaels Utilities" for the total amount of column 6 (apply to account) for each cycle.
- e/ Delmarva personnel will deposit the St Michaels check, write cash coupons for each customer, noting deposit applied, and post to the customers St Michaels account.
- f/ St Michaels will issue a check to each customer listed in column 7 (refund to customer).
- g/ Delmarva personnel will complete columns 8 & 9 on deposit-refund form.
- h/ Delmarva personnel will post the check on the customers account; the account will then be closed.
- i/ The refund check to the customer along with an explanation from St Michaels Utilities will be mailed with the final bill.
- j/ Delmarva personnel will balance the two forms on a daily basis.
- k/ Copies of the St Michaels Deposit Control and St Michaels Deposit Apply - Refund forms will be given to St Michaels Utility officials upon completion of cycle 20. Any entries to the St Michaels Utilities books will be made by St Michaels employees or auditors.





There are approximately 360 customer deposits in St Michaels.

Please advise if you concur with the listed procedures; the clerical work can begin upon receiving the effective date of the lease.

Very truly yours,

*W.K. Jackson*

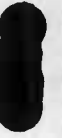
W.K. Jackson  
Delmarva Power



## EXHIBIT A

## ST MICHAELS DEPOSIT CONTROL

ST MICHAELS	RT#	NUMBER OF DEP	DEPOSIT AMOUNT	ACCURED INTEREST	TOTAL	DATE REFD APP	
1							
2							
3							
4							
5							
6							
7.1							
7.2							
8							
9.1							
9.2							
10							
11.1							
11.2							
12							
12.1							
13							
14							
15							
16							
TOTALS							



ST MICHAELS RT#

①  
ST MICHAELS  
ACCT #

②  
CUSTOMER  
NAME & ADDRESS

3  
DEP  
AMOUNT

4  
INTER

⑤  
TOTAL

⑥  
APPLY  
TO ACCT

7  
REFUND  
TO CUST

8

DATE

9  
CHECK  
#

[illegible]



ST. MICHAELS UTILITIES COMMISSION

SEPT. 17, 1981

SUMMARY OF CUSTOMER ADVANCES FOR CONSTRUCTION:

<u>Name</u>	<u>Amount</u>	<u>Number of Lots</u>	<u>Refunds Stop</u>
Charles Harrison, Blueberry Acres	\$ 206.50	1	No time limit
Watch Goose Subdivision (Scofield)	3,087.16	5	8/16/86
Bentley Manor Subdivision (Eglseder)	4,775.00	8	5/01/89
Rolles Reach Development (Page)	15,729.70	13	5/22/89
Shoreline Realty - Ray's Point	1,080.00	3	10/31/90
Marengo Subdivision (Walsh & Benson)	4,305.00	7	12/11/90
Martingham (Sid Peters)	<u>60,124.50</u>	-	--
	<u>\$89,307.86</u>		





ST. MICHAELS UTILITIES COMMISSION

SEPT. 17, 1981

WORK TO BE DONE BY ST. MICHAELS PERSONNEL AFTER LEASE BEGINS:

Refund of Customer Deposits according to letter from Delmarva

Accounts Payable (should be just routine bills)

October Reports:

Maryland Sales Tax

Maryland Environmental Surcharge

Final monthly PSC report on KWH purchased and sold

Final Purchased Power calculation (this will need discussion)

Close out ledger accounts that have to do with the lease

Transfer of any cash remaining after all bills paid and monies received

October Financial Statements

Prepare for final PSC public hearing on Purchased Power Cost Adjustment

Quarterly Reports, due end of year:

Reports on Payroll Taxes, including Unemployment

PSC Accident report

PSC Report on late charges

At Year End:

W-2 Forms for all St. Michaels Utilities employees

Public Service Commission Annual Report



SEPTEMBER 29, 1981

A special meeting of the St. Michaels Utilities Commission was held on Monday, September 29, 1981. Members present were Alex J. Spencer, William A. Morse, and Ralph A. Simmons.

It was decided to give bonuses to all St. Michaels employees as follows:

Franklin R. Kilmon	\$250
Paul C. Schutz	\$100
Kenneth L. Patton	\$100
Edward A. Fisher	\$100
Curtis A. Kilmon	\$100
Anna R. Powell	\$100
Bonnie M. Hill	\$100
Roberta H. Marshall	\$250

There was no further business, and the meeting was adjourned.

  
\_\_\_\_\_  
William A. Morse, Acting Secretary



SEPTEMBER 24, 1981

All members were present at the regular meeting of the St. Michaels Utilities Commission, held on Wednesday, September 24, 1981.

The minutes of the August meeting were read and approved.

Mr. Kilmon reported that all of the transportation equipment has been sold to private buyers, except for the trucks the Town will keep. The Dodge Powerwagon was turned over to the Town Clerk on September 23, and other vehicles will be delivered as they are no longer needed. Since the titles to these vehicles are now in the name of both the Town and the Utilities, Mr. Sprecher has suggested that it may be easiest to keep the tags and titles as they are, rather than have them changed. This brought up the question of liability in case of an accident, as well as the question of whether the Utilities would be required to carry insurance on the vehicles. Mr. Griffin will be contacted about these questions, and the Town will be notified that the Utilities Commissioners feel that the titles should be in the name of the Town only.

A letter has been received from James Lighthizer, Chairman of the Maryland Advisory Board on Liability. The Utilities has been requested to send a representative to a public hearing on October 1, in Annapolis. Purpose of the hearing is to take testimony from special taxing districts regarding liability. A letter will be sent to Mr. Lighthizer, explaining that St. Michaels Utilities does not qualify as a special taxing district since we are not financed with revenues secured from special taxes or assessments levied on real property.

The question of the final Power Adjustment charge was again brought to the floor. Mr. Kilmon was instructed to set up an appointment with Bill Adams, from Delmarva, to see if he can come up with a solution to the problem.

Word has been received from Town Clerk Sprecher that the Town is planning a farewell party for the Utilities employees.

Since there is a considerable amount of cash in the checking account that will not be needed until around the 10th of October, it was decided to place \$200,000 in a short term investment.

Mr. Kilmon announced that he will work a final cut-off list on October 5, 1981, using as much care as possible to allow lenience to customers who promise to pay later.

The field engineering for cable TV has been completed, and Mr. Kilmon stated that St. Michaels can expect to have it by late spring or early summer, 1982.

There was no further business, and the meeting was adjourned.

  
Roberta H. Marshall, Secretary



OCTOBER 21, 1981

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, October 21, 1981. Members present were Alex J. Spencer, William A. Morse, Ralph A. Simmons, and Roberta H. Marshall.

The minutes of the last meeting were approved as read.

After a review of the current financial statements, it was decided to invest \$150,000 of the cash on hand in a short term investment. Delmarva's final power bill can be paid by the end of the month without penalty, and will be paid after the maturity of the investment. Bills for legal and auditing fees will be paid at once. The St. Michaels Bank checking account will be closed as soon as the next statement is received.

The necessity of changing the method of signing checks was discussed. Motion was made by Mr. Morse, seconded by Mr. Simmons, and passed unanimously to notify the banks to accept any two signatures of the three Commissioners and the Secretary-Treasurer.

The Utilities has been notified that the public hearing on Power Adjustment Charges will be held in the Town Meeting Room on Tuesday, November 17, at 10:00 a.m.

There was considerable discussion about the Utilities Commission's new role now that the system has been leased. Town Clerk Milford Sprecher was called into the meeting to discuss various aspects of the amendment to the Town Charter.

An outline will be made for the Town and Utilities Commissioners, showing a tentative timetable of work that must be done as well as anticipated monies available.

There was no further business, and the meeting was adjourned.

  
\_\_\_\_\_  
Roberta H. Marshall, Secretary





ANTICIPATED MONIES TO BE TURNED OVER TO THE TOWN OF ST. MICHAELS

Nov. 17	Certificate of Deposit	\$200,000
Periodically	See note below	<u>269,400</u>
		\$469,400
	Less Escrow Account (see note)	- <u>89,300</u>
<u>TOTAL TO BE TURNED OVER</u>		<u>\$380,090</u>

Note: Arrangements have been made for Delmarva to transfer amounts due from St. Michaels' Accounts Receivable on the 15th and the last of the month. Monies will be transferred to the Town as arrangements are made between Town Commissioners and Utilities Commissioners.

Note: A construction escrow account must be set up to allow rebates which must be paid as lots are connected to various subdivisions. Of the above amount, \$60,000 was paid by Martingham and will not be refunded.

UNITED STATES DEPARTMENT OF THE INTERIOR

Geological Survey  
Washington, D. C.  
February 1, 1907

Mr. J. H. ...  
...  
...

Dear Sir:  
I have the honor to acknowledge the receipt of your letter of the 28th inst. in relation to the ...  
...  
...

Very respectfully,  
J. H. ...  
...

OCTOBER 21, 1981

SCHEDULE OF PAYMENTS TO TOWN

Monies Received from Delmarva:

Inventory and Tools	\$190,000
Radio Equipment	2,600
Office Furniture	500
Testing Equipment	<u>6,425</u>
Total Received on 10/15/81	\$199,525

Note: This amount has been used to purchase a Certificate of Deposit in the amount of \$200,000. The money will be turned over to the Town at maturity date, which is November 17, 1981.

CASH ON HAND: OCTOBER 23, 1981

Certificate of Deposit	\$150,000 (maturity: 10/30)
Cash, Maryland National	6,789
Cash, St. Michaels Bank	<u>4,325</u>
	\$161,114

BILLS ON HAND: OCTOBER 23, 1981

Delmarva Power	\$ 88,854
Payroll Taxes	2,200
Meter Deposits to be refunded	30,000
Misc. small bills outstanding	<u>500</u>
	\$121,554

ACCOUNTS RECEIVABLE

Turned over to DPL for collection, 10/14	\$170,330
Estimated St. M. share to be billed by DPL	<u>103,100</u>
	\$273,430
Less estimated bad debts	<u>- 4,000</u>

TOTAL ESTIMATED ACCOUNTS RECEIVABLE	\$269,430
-------------------------------------	-----------



NOVEMBER 25, 1981

All members were present at the regular meeting of the St. Michaels Utilities Commission, held on Wednesday, November 25, 1981. The meeting was called to order at 3:00 p.m. by Alex J. Spencer, President.

The minutes of the October meeting were read and approved.

Financial statements for October were distributed, as well as notes of explanation to the statements. It was noted that the profit figures for 1981 are grossly distorted, and that many factors contributed to the distortion. The notes of explanation were submitted in order to help clarify the reasons.

Mrs. Marshall reported that she received a call from the Public Service Commission stating that they do not want St. Michaels to lose its identity as a utility, and to that end will require St. Michaels Utilities Commission to continue to file the annual report each year. This will of course be much simpler than it is now. The Commissioners noted the importance of meeting periodically with Delmarva officials to stay informed on the information needed.

Mrs. Marshall also informed the Commissioners that the Public Service Commission's Chief Hearing Examiner has sent word that one more public hearing on the final Power Adjustment Charge will have to be held. The Commissioners will all attend this last hearing, and it was noted that it might be a good idea to have William Adams, from Delmarva, in attendance.

There was no further business, and the meeting was adjourned at 4:15 p.m.



---

Roberta H. Marshall, Secretary



ST. MICHAELS UTILITIES COMMISSION  
CASH POSITION: NOVEMBER 25, 1981

Balance, October 31, 1981

\$ 62,251.18

Cash Received:

Accounts Receivable (from DPL)	\$211,531.91
Certificate of Deposit	200,000.00
Interest on Above	2,498.63
Sundry Receipts	<u>3,271.22</u>

Total Cash Received

417,301.76

\$479,552.94

Less Disbursements:

Customer Deposits & Interest	\$ 20,825.43
Overpayments Refunded	2,089.39
October Accounts Payable	<u>3,243.72</u>

Total Disbursements

\$ 26,158.54

Turned over to Town of St. Michaels 350,000.00

Total

-376,158.54

Balance, November 25, 1981

\$103,394.40

Note: An escrow account, in the amount of \$89,101.36, must be set up to guarantee construction rebates for the balance in the Customer Advances for Construction account.





ST. MICHAELS UTILITIES COMMISSION  
NOTES ON FINANCIAL STATEMENT FOR OCTOBER  
NOVEMBER 25, 1981

Statement of Revenue & Expense

1. Residential & Commercial Sales and Misc. Service Revenues for the current month contain two out-of-town billings. Due to past billing procedures, out-of-town meters were read near the end of the month and bills were dated the 15th of the following month. This has inflated October sales by approximately \$75,000.
2. Amounts for Street Lighting and Other Sales represent nearly a full month, due to meter reading dates for in-town meters.
3. Miscellaneous Nonoperating Income is broken down as follows:

Sale of Scrap	\$3,123
Mark-up on sundry sales of inventory	1,362
Interest	2,006
Profit on sale of assets	<u>8,103</u>
Total	\$14,594
4. Amounts for Expenses are lower than they could be expected to be, due to the knowledge that the system was going to be leased. The additional experienced man, allowed for in the rate increase, was not hired; the foreman who resigned in January of 1981 was never replaced. Supplies were allowed to run out, and only the required maintenance work was done.
5. Due to meter reading dates in January, 1981, as well as the estimated final billing for October 15, KWH sales during the year were more than KWH purchases. This has contributed to a false picture on profits. (Line loss ordinarily runs around five percent.)



ST. MICHAELS UTILITIES COMMISSION  
NOTES ON FINANCIAL STATEMENT FOR OCTOBER

Balance Sheet

Current Assets

1. The Reserve Account was closed in order to consolidate all cash in one account, preparatory to turning monies over to the Town.
2. A Certificate of Deposit in the amount of \$200,000 was purchased with monies received from Delmarva for the inventory, tools, laboratory equipment, etc. Maturity date was November 17, 1981. The money was turned over to the Town at that time.
3. Breakdown on Customer Accounts Receivable:

Balance, Oct. 14	\$170,329.74
Billed by Delmarva for St.M.	<u>122,114.47</u>
	\$292,444.21
Misc. Receivables	<u>5,145.17</u>
Balance, Oct. 31	\$297,589.38

Current Status on Customer Accounts Receivable:

Balance, Oct. 31	\$297,589.38
Received from Delmarva	<u>- 211,531.91</u>
	\$ 86,057.47
Overpayments Refunded	<u>2,089.39</u>
	\$ 88,146.86
Additional Receipts to date	<u>43,004.67</u>
Balance, Nov. 24	\$ 45,142.19

Note: Approximately 50 customers overpaid their accounts due to the time lag between the new billing by Delmarva and bills sent out by St. Michaels in September and early October.

Delmarva is sending checks for St. Michaels receivables twice each month. The amount of \$43,004.67 has not been received, but will be included with the check covering November 15 through November 30.

4. The Employee Receivable Account will be closed out as soon as refund is received from the Retirement Plan.



ST. MICHAELS UTILITIES COMMISSION  
NOTES ON FINANCIAL STATEMENT FOR OCTOBER

Balance Sheet (cont.)

Property Accounts

Effective October 15, the following accounts were listed under the sub-heading "Electric Plant Leased to Others":

Substation Equipment	\$ 87,722.96
Poles, Towers, Fixtures	325,056.01
Overhead Conductors	358,628.28
Underground Conduit	14,362.50
Underground Conductors	189,184.44
Line Transformers	467,455.13
Services	137,821.35
Meters	143,441.04
Leased Property, Customer Premises	4,504.71
Municipal Street Lighting	37,189.12
	<u>\$1,765,365.54</u>

Other assets in this category, showing zero balances, were sold to Delmarva and other private individuals, or turned over to the Town at their depreciated value.

The Construction in Progress account represents engineering fees paid by St. Michaels for the new Miles River Bridge work. A check is forthcoming from Delmarva to reimburse St. Michaels for this amount.

The Miscellaneous Deferred Debits account represents fees paid for the recent rate case. By order from the Public Service Commission, it was to be charge off over a period of four years. Due to the lease, it will all be written off in the year ending December 31, 1981.

Liabilities

Accounts Payable, Chipper: The balance due the Town of \$536.25 was written off at the time the chipper was transferred to the Town.

Customer Deposits are being returned to the customers, after first deducting any amount due from them. On November 25, the balance in the account is \$102.11, which represents amounts due customers we have not been able to trace. This money will have to be turned over to the State, as it comes due.



ST. MICHAELS UTILITIES COMMISSION  
NOTES ON FINANCIAL STATEMENT FOR OCTOBER

Balance Sheet (cont.)

Investments

Items in the Appropriated Earned Surplus account represent transfers to The Town of St. Michaels:

Electricity furnished at cost	\$ 19,876.14
Interest paid for note at Md. Nat.	2,923.73
Assets transferred at depreciated value	<u>13,316.78</u>
	\$ 36,116.65

To be added in November:

Cash payments	<u>350,000.00</u>
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Total Transferred to Town to Date	<u>\$386,116.65</u>
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DECEMBER 30, 1981

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, December 30, 1981. Members present were Alex J. Spencer, Ralph A. Simmons, and Roberta H. Marshall.

The minutes of the November meeting were approved as read.

A list of the customer accounts that are still outstanding was presented for discussion. It was noted that 94.4 percent of the Accounts Receivable has been collected to date. St. Michaels Harbour Marina, one of the accounts listed, has filed for bankruptcy, and the Town will be contacted to see if they want to handle the account through their attorney with any bills they may have outstanding. If not, the Utilities' attorney will be contacted about the account.

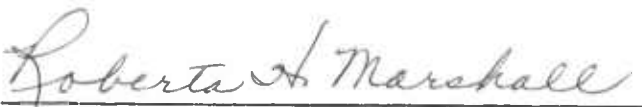
William A. Morse has been reappointed to the Utilities Commission for another three year term.

Mrs. Marshall reported that the Town's note for \$25,000 at Maryland National Bank has been paid, plus interest. There is a cash balance on hand of \$37,553.55, and a check for monies collected by Delmarva is expected in the approximate amount of \$17,500. The certificate of deposit in the amount of \$100,000 will mature on December 31. This will be reinvested, plus an additional \$50,000, as soon as Delmarva's check is received.

A discussion followed concerning the Town's schedule of investment of the monies from leasing the Utilities. Mr. Simmons will write a letter to the Town Commissioners, requesting information on the procedure being followed.

It was noted that Delmarva and C & P Telephone have not yet reached an agreement with Penn Communications about cable TV for St. Michaels. The Utilities Commissioners expressed concern that the Town should be represented at the meetings, since the people of St. Michaels are the ones who will be getting the services and are most directly concerned.

There was no further business, and the meeting was adjourned.

  
Roberta H. Marshall, Secretary



# ST. MICHAELS UTILITIES COMMISSION

ST. MICHAELS, MARYLAND 21663

January 6, 1982

The Commissioners of St. Michaels  
109 South Talbot Street  
St. Michaels, Maryland 21663

Dear Commissioners:

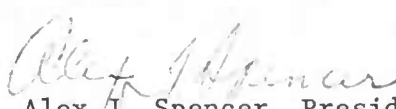
At a recent meeting of the St. Michaels Utilities Commission, there was a discussion concerning the receipt and disposition of the monies being received from Delmarva for the lease of the Town's electrical distribution system. The members of the Utilities Commission are sensitive to their responsibilities to advise you on the investment of funds received from the lease as well as monitor the activities of Delmarva.

In this regard, can you advise us as to the schedule being followed for investment versus placement in the General Fund of the monies being received for the lease? There is some confusion as to which was the final schedule adopted for this purpose. Once this matter is clarified, we would like to establish procedures for the orderly movement of the designated amounts to the proper accounts for investment.

Thank you for your cooperation.

Sincerely,

ST. MICHAELS UTILITIES COMMISSION

  
Alex J. Spencer, President

  
William A. Morse

  
Ralph A. Simmons

rhm



ST. MICHAELS UTILITIES COMMISSION

JANUARY 27, 1982

Cash Position

Maryland National Bank, Checking Account	\$ 15,306.10
Maryland National Bank, Certificates of Deposit	<u>150,000.00</u>
	\$165,306.10

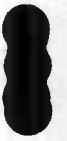
Note: Due date of CD's is 2/8/82

Monies Turned Over to Town in 1981

Cash Transfers		\$350,000.00
Note at Maryland National:		
Principal (final payment)	\$25,000.00	
Interest	<u>3,524.84</u>	
		28,524.84
Transfer of Assets		13,316.78
*Transfer of credit from insurance		150.81
Electricity Supplied		<u>19,876.14</u>
		\$411,868.57

\*Note: There will be an additional transfer of insurance credit to the Town, as soon as the figures are received from John T. Griffin. The additional credit will be an approximate amount of \$3,500.)

FINANCIAL STATEMENTS FOR THE YEAR ENDING DECEMBER 31, 1982, WILL BE DISTRIBUTED AS SOON AS FINAL FIGURES ARE RECEIVED FROM THE RETIREMENT INSURANCE. (Since the figures will affect the Profit & Loss Statement as well as the Balance Sheet, we cannot close the books until they are received.)



JANUARY 27, 1982

All members were present at the regular meeting of the St. Michaels Utilities Commission, held on Wednesday, January 27, 1982. The meeting was called to order at 3:05 p.m. by the President, Alex J. Spencer.

The minutes of the December meeting were read and approved.

First order of business was the election of officers for the year of 1982. Upon a motion by Alex Spencer, seconded by William A. Morse and passed unanimously, Ralph A. Simmons was elected to the office of President of the Commission. On a motion by Mr. Spencer, seconded by Mr. Simmons and passed unanimously, William A. Morse was elected as Vice President of the Commission. Roberta H. Marshall was appointed as Secretary-Treasurer.


There has been no formal response from the Town Commissioners on the letter regarding investment of the leasehold monies. It is hoped that the mechanics for a continuing program with the lease funds can be set up, rather than a yearly plan.

Nothing has been heard about progress of cable TV for the residents of St. Michaels, except for what the Commissioners have read in the newspapers.

An analysis of the balance in the Accounts Receivable account was presented and discussed. To date, 97.6 percent has been collected, and it is hoped that additional amounts will be received as soon as bills are sent out by the secretary combined with a statement from the auditor.

Mrs. Marshall explained that financial statements for the year ending December 31, 1981, are not yet available due to the fact that the books cannot be closed until information is received from the retirement plan. The auditor is expected to start work on the period from July 1 through December 31, 1981, within the next day or so.

There was no further business, and the meeting was adjourned.

  
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Roberta H. Marshall, Secretary





FEBRUARY 24, 1982

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, February 24, 1982. All members were present.

The minutes of the January meeting were approved as read.

Mr. Simmons reported that he has spoken to Town Commissioner Edward Campbell about the Utilities' desire to set up a formal procedure for the investment of the monies from the lease on a regular basis, in accordance with the Town Charter.


Mrs. Marshall reported a balance in the checking account of \$17,605.87, with a certificate of deposit at fifteen percent in the amount of \$151,566 that will mature on March 25, 1982. Balance in Accounts Receivable is now \$6,131.93, and payments are still trickling in. Second notices will be mailed out in the near future.

Faw, Casson has finished the audit through December 31, 1981, and the year-end financial statements will be distributed soon.

There was a discussion about the rights of way that Delmarva will be getting from time to time from customers in the St. Michaels territory. These rights of way will be important at the time of the termination of the lease. It was decided that Mr. Simmons will contact David Mann for his advice on the matter.

Checks will be given to the town for the Commissioners' salaries and the portion of Mrs. Marshall's wages that are due, as well as the payroll taxes.

There was no further business, and the meeting was adjourned.

  
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Roberta H. Marshall, Secretary



MARCH 24, 1982

The regular meeting of the St. Michaels Utilities Commission was called to order at 3:10 p.m. on Wednesday, March 24, 1982. Members present were Ralph A. Simmons, Alex J. Spencer, and Roberta H. Marshall.

The minutes of the February meeting were read and approved.

There was discussion about the future investment of the monies from the lease at the end of the fiscal year.

The secretary reported that a little over 98 percent of the total Accounts Receivable has been collected, leaving a balance of \$5,725.39. The certificate of deposit at Maryland National Bank will be renewed on March 25. Bills were paid as follows:

Faw, Casson & Company	\$1,800.00
Miller, Wheeler, Thompson	123.00
Town of St. Michaels	<u>1,523.32</u>
	\$3,446.32

After payment of the bills, the balance in the checking account was \$17,786.76.

Mr. Simmons has talked to David Mann about the rights of way. In Mr. Mann's opinion, this is a matter that should be reviewed in the annual re-cap with Delmarva. As long as the rights of way are in the St. Michaels service territory, they should be treated like any other improvement to the system.

The Public Service Commission has audited the final month of power adjustment charges. A final public hearing will most likely be held in May.

There was no further business, and the meeting was adjourned.

  
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Roberta H. Marshall, Secretary



APRIL 28, 1982

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, April 28, 1982. Members present were Alex J. Spencer, William A. Morse, and Roberta H. Marshall. In the absence of Mr. Simmons, the meeting was called to order by William A. Morse at 3:05 P.M.

The minutes of the March meeting were approved as read.

Financial statements for the first quarter of 1982 were distributed and discussed. It was noted that the rental income from Delmarva, although received directly by the Town, is shown as income. This is on advice from the Public Service Commission, since annual reports will be required to be filed with them throughout the twenty-five year period of the lease.

In preparation for the yearly review of the system with Delmarva, an agenda will be organized noting specific items to be discussed. Topics to be included would be the rights of way and other improvements to, or changes in, the lines. This will be thoroughly discussed at a later meeting.

Mr. Spencer reported that he has been contacted by William Gallagher of Love's Folly, who said that he should have been on the Utilities' Domestic Rate for several years. Mrs. Marshall was instructed to look back in the old minutes and old files to see if a formal request for a rate classification change was ever made. Mr. Spencer will contact Ray Kilmon to see if he remembers anything about the matter.

The Commissioners will familiarize themselves with the section of the Town Charter concerning their duties to provide financial advice to the Town Commissioners concerning investment of the lease monies.

There was no further business, and the meeting was adjourned.



Roberta H. Marshall, Secretary



MAY 26, 1982

All members were present at the regular meeting of the St. Michaels Utilities Commission, held on Wednesday, May 26, 1982. The meeting was called to order by the President, Ralph Simmons, at 3:15 P.M.

The minutes of the April meeting were approved as read.

Nothing more has been heard from Mr. Gallagher regarding his complaint. Mrs. Marshall reported that she could find nothing in the minutes or in the files regarding his request. The matter was tabled.

There was mention of the fact that Choptank Electric has laid off seventeen people in the Denton district.


Mr. Spencer noted that work is progressing on the new Miles River Bridge. In preparation for the yearly review with Delmarva, the Commissioners will inspect the lines so they will be familiar with any changes or improvements that have been made. Mr. Simmons will contact Bill Adams of Delmarva in the near future to start making plans for the meeting.

Bills were mailed to customers who still owe for electricity on May 14. The Secretary reported a balance of \$5,556.61 in the regular Accounts Receivable, which represents a collection rate of 98.1 percent.

The Certificate of Deposit at Maryland National Bank in the amount of \$157,000 will be increased to \$170,000, to mature on June 30, 1982.

There was discussion about the Commissioners' duties in advising the Town on investment of the Sinking Fund principal at the end of the fiscal year.

Following a short discussion about maintenance of the street lights on St. Mary's Square, the meeting was adjourned.

  
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Roberta H. Marshall, Secretary





JULY 20, 1982

The regular June meeting of the St. Michaels Utilities Commission was postponed until Tuesday, July 20, 1982. All members were present. Town Commissioners Edward Campbell and Richard Brown attended the meeting, and Mr. William S. Gallagher was present to request a change in his rate classification while he was a customer on St. Michaels lines. The meeting was called to order at 2:55 P.M.

Mr. Spencer briefly discussed the background of Mr. Gallagher's complaint. Mr. Gallagher then told the Commissioners that he had purchased the farm in August of 1971, and was kept on the same rate classification as the previous owner, Mr. Love. He complained about high bills, but did not realize that he was on the General Light and Power rate. After Delmarva leased St. Michaels' system, he was changed to their Domestic Rate. It was at that point that he notified Mr. Spencer, requesting a change on his previous billings.

Mr. Simmons explained to Mr. Gallagher that all farms on the St. Michaels system were billed on the General Service Rate when there was only one meter for the property. If there was separate metering on the residence, the residence was placed on the Domestic Rate. Delmarva specifically states in their tariff that farmsteads are billed on the Domestic Rate. Mr. Gallagher acknowledged that his property is designated as a farm on the Talbot County tax rolls. He added that he did not know what rate he was on and so did not complain earlier. Mr. Simmons apologized for not having specific documentation on farmsteads, and explained that all St. Michaels farm customers were treated the same way. He referred Mr. Gallagher to the Public Service Commission if he desired to present his case to them.

Mr. Campbell added that the Town Commissioners are in no position to over-ride the Utilities Commissioners in a matter of this sort. Before his departure, Mr. Gallagher was given the address and telephone number of the Consumer Assistance Section of the Public Service Commission.

The Commissioners then discussed with the Town Commissioners the necessity of setting up the sinking fund as provided in the Town Charter, as well as their role of advising the Town Commissioners on the investment of the fund. The amount to be invested this year, as reported by the Town Clerk, is as follows:

Rental Income	\$153,336.00
Less Electric Bills	- 26,578.13
	\$126,757.87
Less Transfer to Gen. Fund	- 100,000.00
Balance to Sinking Fund	\$ 26,757.87

The above amount will be combined with the existing sinking fund of \$40,000, but this will not be possible until December of 1982 since it is presently invested in a Savings Certificate which will not mature until then. Mr. Simmons will draft a letter of recommendation to the Town.


The minutes of the May meeting were read and approved.

Mr. Simmons noted that he has been unable to contact Bill Adams of Delmarva, since he is on sick leave. He is expected to return to work in September.

Mrs. Marshall reported that \$77,500 was turned over to the Town on June 30, leaving a balance of \$435.77 in checking. Since then, two additional payments for electric bills have been received, in the total amount of \$829.08. The cash balance is now \$1,264.85. A certificate of deposit in the amount of \$100,000 is being held as an escrow account for construction rebates. The amount of collection of Accounts Receivable has now reached 98.4 percent of the total that was due on October 15, 1981.

Information about the latest developments in the cable TV franchise was distributed to the Commissioners for their information.

There was no further business, and the meeting was adjourned at 3:20 P.M.

  
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Roberta H. Marshall, Secretary

JULY 28, 1982

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, July 28, 1982. Members present were Ralph A. Simmons, William A. Morse, and Roberta H. Marshall. The meeting was called to order by Mr. Simmons at 3:00 P.M.

Since copies of the minutes of the last meeting were mailed to the Commissioners, the minutes were approved as written.

The letter to the Town Commissioners regarding investment of the Sinking Fund was sent on July 22, 1982. Mr. Sprecher has informed Mrs. Marshall that a certificate of deposit will be purchased this week.

Although Mrs. Marshall has talked to Ed Lanen, a member of the Public Service Commission's Consumer Assistance Division, on the telephone, no formal request for information has been received from them to date. Mr. Lanen has informed Mr. Gallagher that his complaint should be put in letter form before he could act on it.

There was no further business, and the meeting was adjourned.

Roberta H. Marshall  
Roberta H. Marshall, Secretary



AUGUST 25, 1982

The regular meeting of the St. Michaels Utilities Commission was called to order at 3:15 P.M. on Wednesday, August 25, 1982. Members present were Ralph A. Simmons, Alex J. Spencer, William A. Morse and Roberta H. Marshall.

The minutes of the last meeting were read and approved.

Mrs. Marshall reported that the Town has purchased the Certificate of Deposit for the Sinking Fund, and it will come due in December at the same time as the \$40,000 Savings Certificate from the previous Sinking Fund. Further recommendations regarding investment of the fund will be made in December.


Nothing further has been heard about Mr. Gallagher's complaint.

Mrs. Marshall reported that Mr. Hollis, from the Public Service Commission, has visited St. Michaels to see if there were any problems during the transition period of the lease. Mr. Hollis also talked with Larry Wood, manager of Delmarva's St. Michaels office.

There was discussion about the October meeting with Delmarva. Mr. Simmons will continue to try to contact Bill Adams to set up a date for the meeting, but if Mr. Adams does not return to work in two or three weeks someone else will be contacted.

The Certificate of Deposit which is being held for Customer Construction Advances will be renewed, and the interest will be turned over to the Town.

There was no further business, and the meeting was adjourned.

  
Roberta H. Marshall, Secretary



SEPTEMBER 29, 1982

All members were present at the regular meeting of the St. Michaels Utilities Commission held on Wednesday, September 29, 1982. The meeting was called to order by the President, Mr. Simmons, at 3:00 P.M.


The minutes of the August meeting were approved as read.

Mr. Simmons reported that he will contact Bill Adams regarding the annual review with Delmarva as soon as possible. He will try to set up the meeting for sometime in mid-October.

The balance of the meeting was devoted to a discussion about the recent request from William Bittorf for rebates on the construction monies paid by Sid Peters for the Martingham Subdivision. The letter has been turned over to Town Attorney Hickson for his response and advice.

Since Mr. Simmons will be away at the end of next month, the October meeting will be postponed. November 3 was set as a tentative date.

There was no further business, and the meeting was adjourned at 3:40 P.M.

  
Roberta H. Marshall, Secretary





NOVEMBER 3, 1982

The regular October meeting of the St. Michaels Utilities Commission was held on Wednesday, November 3, 1982. All members were present. The meeting was called to order by the President, Ralph Simmons, at 3:00 P.M.

The minutes of the September meeting were read and approved.


Mr. Simmons and Mr. Spencer reported on their October 29 meeting with Delmarva's personnel for the annual Review of Operations. Members from Delmarva who attended the meeting were Vice President Ray Landon, Kenneth J. Jones who is now General Manager of Resale Services, and Regional Manager Ralph Klesius. A report dated October 15, 1982, covering the period from October 15, 1981 through July 31, 1982, was submitted for general discussion. The Delmarva officials noted that more details can be made available if requested by St. Michaels. The Commissioners decided that a letter will be written as soon as they have digested the report thoroughly, with any questions or comments they might have. In the meantime, Mr. Simmons will write to thank Mr. Landon for his cooperation with the meeting. (11/24/82: See note below)

Town Attorney Hickson's response to Mr. Bittorf's letter regarding the funds paid by Sid Peters was read. Nothing more has been heard from Mr. Bittorf on the matter.

There was a discussion about the few remaining balances due from customers for electricity. Mrs. Marshall was instructed to contact Lynn Leonhardt, of Miller, Wheeler, Thompson & Thompson, to seek her advice on various aspects of collecting these accounts.

It was noted that the Sinking Fund, which at present is invested in a \$40,000 Savings Certificate and a Certificate of Deposit in the amount of \$26,757.87, is due for reinvestment in December.

There was no further business, and the meeting was adjourned at 4:00 P.M.

  
Roberta H. Marshall, Secretary

11/24/82: Larry Wood, Delmarva's District Manager for St. Michaels, also attended the meeting.



NOVEMBER 24, 1982

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, November 24, 1982. All members were present. The meeting was called to order by the President, Mr. Simmons, at 3:10 P.M.

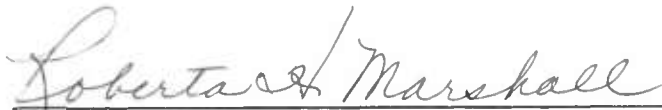
The minutes of the October meeting were read and corrected to show that Larry Wood, Delmarva's District Manager for St. Michaels, also attended the Annual Review of Operations meeting.

There was a discussion about the remaining balances on customers' electricity accounts. Letters will be written to H. E. Arader and Arthur German, requesting that they clear up their accounts. William Hunter will also be sent a letter.

The report from Delmarva was again discussed in depth. The Commissioners will decide in the near future if another meeting with Delmarva is advisable.

The Commissioners spoke of their responsibility in advising the Town Commissioners on the investment of the Sinking Fund. The bond and the certificate of deposit, where the money is now invested, will be coming due the latter part of December. It was decided to hold the December meeting on Wednesday, December 15, rather than on the fourth Wednesday. By that time, information will be on hand about high interest, federally insured accounts.

There was no further business, and the meeting was adjourned at 3:40 P.M.

  
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Roberta H. Marshall, Secretary



DECEMBER 15, 1982

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, December 15, 1982. Members present were Mr. Morse, Mr. Spencer, and Mrs. Marshall. In the absense of Mr. Simmons, Mr. Morse called the meeting to order at 3:00 P.M.

The minutes of the November meeting were approved as read.

Mrs. Marshall presented Faw Casson's final bill for approval and payment. A check was also written to reimburse the Town for the Commissioners' salaries, payroll taxes, and Mr. Hickson's charges for the Bittorf correspondence in October.

Now that the final bills have been paid, a transfer of cash will be made to the Town Commissioners which will bring the checking account balance down to only a small amount necessary to keep the account open.

Letters requesting payment of their accounts were sent to H. E. Arader, Arthur German, Z. H. Stafford, III, and James Bartlett, Jr. The letter to Mr. Hunter will be sent in the immediate future.

The balance of the meeting was devoted to a discussion on investment of the Sinking Fund. It was unanimously decided to recommend that the fund, in the amount of \$66,757.87, be placed in a Maryland National Bank Growth Fund Account. A letter explaining this new type account, along with the reasons for the recommendation, will be sent to the Town Commissioners.

There was no further business, and the meeting was adjourned at 3:40 P.M.

  
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Roberta H. Marshall, Secretary



JANUARY 26, 1983

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, January 26, 1983. The meeting was called to order by the President, Ralph Simmons, at 3:10 P.M. Other members present were Alex J. Spencer, William A. Morse, and Roberta H. Marshall. Town Clerk Milford Sprecher attended a part of the meeting.

The minutes of the December meeting were approved as read.

First order of business was the election of officers for 1983. On a motion by Mr. Morse, seconded by Mr. Spencer and approved by unanimous vote, Ralph A. Simmons was named President of the Commission. Motion was made by Mr. Simmons, seconded by Mr. Spencer, and passed unanimously to elect William A. Morse as Vice President. Roberta H. Marshall was appointed Secretary-Treasurer.

Financial statements for the year ending December 31, 1982, were distributed for discussion.


Mrs. Marshall reported that no bills have been paid by customers who received letters about their past-due accounts.

The ten-year time limit for the Sid Peters Martingham Advance for Construction account has expired.

Mr. Sprecher informed the Commissioners that the Sinking Fund has been invested according to their suggestion. The \$40,000 portion of the fund was placed in a Growth Fund account in December, and the balance of approximately \$26,750 will be deposited in a few days.

Mrs. Marshall reported a cash balance of \$780.81 in the checking account, which represents interest received on the Certificate of Deposit in January. A new C. D. has been purchased, and a transfer will be made to the town in the near future.

There was no further business, and the meeting was adjourned at 3:50 P.M.

  
Roberta H. Marshall, Secretary





FEBRUARY 23, 1983

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, February 23, 1983. Members present were Ralph Simmons, Alex Spencer, and Roberta H. Marshall.

Town Clerk Milford Sprecher attended the meeting to discuss the extension of St. Michaels' lines to the Perry Cabin Townhouses. Mr. Sprecher and Mr. Simmons had attended a meeting on February 22 with Delmarva representatives Vernon Downes and Larry Wood. The Delmarva plan at the present time is to treat the Perry Cabin extension as they would any other Delmarva extension: their practice is to make no charge if the estimated income from the extension will pay the projected cost within a period of two years. According to the annexation agreement with Mr. Meyerhoff, Perry Cabin was to pay the entire cost of the electrical distribution facilities, as well as for street lighting.

Mr. Simmons related the discussion that took place at the meeting with Delmarva. Although no exact costs were given, Delmarva was sure that the cost would be repaid in revenue within the two-year time period. Mr. Spencer has been in contact with Ray Landon, of Delmarva. Mr. Landon will check with counsel to see if Delmarva's method of furnishing the lines will affect the Perry Cabin agreement.

The Commissioners agreed that according to the lease agreement, Delmarva could treat Perry Cabin no differently than its other customers. The Commissioners discussed the street lighting for Perry Cabin, and agreed that they will meet with Delmarva engineers as soon as possible to get preliminary plans underway. According to the annexation agreement, the street lighting must be supplied by Perry Cabin, but must comply with St. Michaels Utilities specifications. The town will of course be responsible for the electric bill for street lighting. The possibility of putting the lights on one meter, and thus getting a cheaper rate, was discussed.

The minutes of the last meeting were approved as read.

The Certificate of Deposit at Maryland National Bank has been renewed for sixty-one days, at an interest rate of 7.85 percent.

There was no further business, and the meeting was adjourned.

  
Roberta H. Marshall, Secretary



MARCH 22, 1983

The regular meeting of the St. Michaels Utilities Commission was held on Tuesday, March 22, 1983. All members were present. The meeting was called to order by the President, Ralph Simmons, at 3:00 P.M.

Mr. Harry Meyerhoff and Mr. Z. H. Stafford, III, attended the meeting in order to discuss the street lighting for Perry Cabin. Mr. Meyerhoff discussed their lighting preference for the fifty townhouses which will be constructed in Phase I. He explained that there will be lights on the buildings and in the parking lots, as well as the street lights. Therefore, they felt that the use of 70 watt low-level high pressure sodium lights would be adequate. These are already being used in the entrance lane to the inn.

Mr. Stafford submitted copies of a letter from Delmarva's agent, Robert Parks from the Cambridge office, agreeing to the use of the low-level lights. Since Delmarva does not supply that type of light under its tariff, Mr. Parks pointed out that the system will have to be metered, and also that Delmarva will not do any maintenance on the lights. There will be, however, a considerable savings on the cost of electricity versus the cost of rental lights.

Mr. Meyerhoff then informed the Commissioners that there will be deed restrictions, and the Perry Cabin Homeowner's Association will pay all maintenance costs for the street lights. The Town will only pay for the electricity. There will be three meters on the system. A copy of the deed restrictions will be sent to the Commissioners as soon as it is finalized.

Following the departure of Mr. Meyerhoff and Mr. Stafford, the Commissioners discussed the street lighting system in detail. They agreed that the use of the rental-type units supplied by Delmarva would not agree aesthetically with the plans for Perry Cabin. Their main concern is that the maintenance of the lights does not fall back on the Town in future years. It was decided that Mr. Hickson will be contacted about the legality of the deed restrictions.

Motion was made by Mr. Morse, seconded by Mr. Simmons, and passed unanimously to recommend acceptance of the street lighting plan as submitted by Perry Cabin Farm on Sheet 2 of 6 in the plan dated March 8, 1983 prepared by J. R. McCrone, Jr., Engineers, subject to discussion with the attorney. This plan calls for the use of 70 watt low-level high pressure sodium lights that are like the ones presently used in the lane going into Perry Cabin. A letter to this effect will be sent to the Town Commissioners.

The minutes of the last meeting were approved as circulated.

There was no further business, and the meeting was adjourned.

  
Roberta H. Marshall, Secretary

# ST. MICHAELS UTILITIES COMMISSION

ST. MICHAELS, MARYLAND 21663

March 23, 1983

Mrs. Irene R. Daffin, President  
The Commissioners of St. Michaels  
St. Michaels, Maryland 21663

Dear Mrs. Daffin:

In accordance with the agreement between The Town of St. Michaels and The Perry Cabin Associates, the St. Michaels Utilities Commission has reviewed the proposed street lighting for the first phase of development at Perry Cabin Farm. We recommend approval of the plans as submitted on Sheet 2 of 6 in the plan dated March 8, 1983 prepared by J. R. McCrone, Jr., Engineers, including the specification that each installation use a 70 watt, low-level, high-pressure sodium light. This lighting is the same as that now installed on the road leading into The Inn at Perry Cabin. Mr. Robert Parks of Delmarva Power has expressed his opinion that the proposal will provide an acceptable lighting level for the development.

The recommended approval is made with the understanding that the maintenance of the street lights will be the responsibility of a Perry Cabin Owner Association to consist of property owners in Phase One of the development. This legal stipulation will be included as a deed restriction for all sales.

Mr. Michael Hickson was contacted and gave assurance that the deed restriction was adequate to insure legal responsibility for maintenance on behalf of the Perry Cabin Owners Association. However, he expressed concern that the enforcement of maintenance by the town would be difficult, and recommended that we not approve this proposal. The Utilities Commissioners still recommend approval as the most economical solution for the town.

Some concern has been expressed that the proposed lighting may not be adequate at the intersection of Route 33 and the road leading into the development. Therefore, there may be a requirement that a more intensive lighting be used at that intersection. This will be discussed with representatives of Delmarva Power as soon as possible.

Finally, this recommendation is made for only Phase One of the total project. The Utilities Commission wishes to reserve the responsibility for a later review as the other phases are planned.

Sincerely,

*Ralph A. Simmons*  
Ralph A. Simmons, President

RAS/m

cc: Mr. Harry Meyerhoff  
Mr. Z. H. Stafford, III.  
Planning & Zoning Commission  
H. Michael Hickson, Esquire



APRIL 27, 1983

All members of the St. Michaels Utilities Commission were present at the regular meeting held on Wednesday, April 27, 1983.

The minutes of the March meeting were approved as read.

Mr. Simmons stated that he spoke with Town Attorney Hickson regarding the legality of the deed restrictions at Perry Cabin. Although Mr. Hickson advised that the deed restrictions would be legal, he was concerned that enforcement of maintenance by the Town would be difficult. Mr. Spencer noted that attorney David Mann has also said that a deed restriction would be legal. A letter was sent to the Town Commissioners, recommending the use of the 70 watt low-level high-pressure sodium lights for the first fifty units at Perry Cabin.

The Certificate of Deposit at Maryland National Bank has been renewed at an interest rate of 8%. Before renewing the deposit, St. Michaels Bank was contacted for their current rates, but they stated they had no current rates for commercial CDs.

Mr. Simmons reported that he was approached by one of the Town Commissioners expressing concern about a possible conflict of interest with Utilities Commissioners Morse and Spencer and Maryland National Bank. Mr. Morse stated that Commissioner Campbell had asked him if Maryland National would consider it a conflict. Mr. Morse told Mr. Campbell that he has already been cleared by Maryland National, but would tender his resignation immediately if the Town Commissioners wanted him to do so. The Utilities Commissioners are quite concerned about the situation, and are at a loss about just what to do about it.

Copies of the quarterly financial statements were distributed for discussion.

There was no further business, and the meeting was adjourned.

  
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Roberta H. Marshall, Secretary






MAY 25, 1983

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, May 25, 1983. Members present were Ralph A. Simmons, Alex J. Spencer, and Roberta H. Marshall. The meeting was called to order at 3:10 P.M.

The minutes of the April meeting were approved as read.

The proposed street lighting at Perry Cabin was thoroughly discussed. A copy of the deed covenant has been received; it was noted that a regular high-intensity light will be needed at the intersection on Route 33.

There was no further business, and the meeting was adjourned.

  
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Roberta H. Marshall, Secretary



JUNE 22, 1983

The regular meeting of the St. Michaels Utilities Commission was called to order at 3:12 P.M. on Wednesday, June 22, 1983. All members were present.

The minutes of the May meeting were read and approved.

Mr. Simmons announced that the Annual Meeting of the Peach Bottom Atomic Power Exchange will be held on July 8, 1983. The Commissioners discussed the functions of Peach Bottom, and its possible future benefits for the small utilities who are members.

Mr. Morse pointed out that there really is not enough routine business at present for the Utilities Commissioners to meet once each month. He noted that a suggestion could be made to the Town Commissioners that the charter be amended to allow the Utilities Board to hold quarterly meetings, with additional meetings to be called at such other times as it would be necessary. In the discussion that followed, Mr. Spencer noted that changing the schedule of meetings might be unwise from a psychological standpoint, especially in the Utilities' negotiations with Delmarva. The matter was tabled.

Mr. Sprecher has invested \$79,558.13 from the Utilities Sinking Fund in a two and one-half year Smart Savers Certificate at Maryland National Bank. The certificate will pay interest at the rate of ten percent per annum, compounded quarterly.

Mr. Simmons has now moved to Tricefields, which is outside the town limits. Both Mr. Spencer and Mr. Morse expressed their hopes that he will be allowed to stay on as a Utilities Commissioner until his term expires. Mr. Simmons will be willing to do so. A precedent was set by the Town Commissioners in 1975, when John Griffin moved to Rio Vista and was allowed to continue as a Utilities Commissioner until the expiration of his term. Mr. Rowens, from Easton, was also allowed to serve as an Easton Utilities Commissioner under the same circumstances.

The Certificate of Deposit at Maryland National Bank will mature on June 24. It will be renewed at the best possible rate.

Mrs. Marshall announced that the amount of \$1,000 will be transferred to the Town. This represents interest income received from the CD.

The Maryland Public Service Commission has sent word that they have decided that St. Michaels will still file the Annual Report. Mrs. Marshall noted that it will be completed and ready to mail within a few days.

There was no further business, and the meeting was adjourned.

  
Roberta H. Marshall, Secretary



JULY 27, 1983

The regular meeting of the St. Michaels Utilities Commission was called to order at 3:10 P.M. on Wednesday, July 27, 1983. Members present were Ralph A. Simmons, Alex J. Spencer, and Roberta H. Marshall. Commissioner William A. Morse was unable to attend.

The minutes of the June meeting were approved as circulated.

The street light at the intersection of Route 33 and the road leading into the development at Perry Cabin was thoroughly discussed. The Commissioners agreed that it would be best to install a metered light if it is possible to do so.

The balance of the meeting was devoted to discussion of the items that should be discussed with Delmarva officials at the Annual Review to be held in the fall:

1. The street light that will be needed at the Perry Cabin intersection.
2. The current method of handling street light costs for the entire town.
3. The capital improvements made by Delmarva to the St. Michaels system.

Mr. Simmons will write a letter to Ray Landon of Delmarva and try to set up a meeting sometime during the last two weeks in September.

There was no further business, and the meeting was adjourned.

  
Roberta H. Marshall, Secretary



# ST. MICHAELS UTILITIES COMMISSION

ST. MICHAELS, MARYLAND 21663

July 28, 1983

Mr. Ray Landon, Vice President  
Delmarva Power and Light  
800 King Street  
P. O. Box 231  
Easton, Maryland 21601

Dear Ray:

We are approaching another anniversary of the lease of our electric power distribution system to your company. As we discussed, it seems advisable to meet annually on an informal basis to review the year's activities. We would like to schedule such a meeting at your convenience sometime during the last two weeks of September. If you would select a date during this period, maybe you and your staff could join us for lunch on that date.

We would specifically like to review the capital improvements to the system that you have made during the past year, including the total value of such improvements. In addition, we would like to review the current handling of our street lighting costs, with special consideration to the lighting planned for the impending development at Perry Cabin.

We look forward to meeting with you and your staff in the near future. Thank you for your cooperation.

Sincerely,



Ralph A. Simmons, President

ST. MICHAELS UTILITIES COMMISSION

RAS/m





AUGUST 31, 1983

The regular meeting of the St. Michaels Utilities Commission was called to order at 3:10 P.M. on Wednesday, August 31, 1983. Members present were Ralph A. Simmons, William A. Morse, and Roberta H. Marshall. Commissioner Alex J. Spencer was unable to attend.

The minutes of the July meeting were read and approved.

In response to Mr. Simmons' letter to Ray Landon of Delmarva, a luncheon meeting for the Annual Review has been scheduled for Thursday, October 6, 1983. Ken Jones, Wayne Lyons, and Ray Landon will represent Delmarva.

It was suggested that the Commissioners tour St. Michaels' old network before the meeting, in order that they will be more familiar with the new work Delmarva has done in the past year. The Commissioners will try to schedule a date when they can go together.

An annual report on the addition to the Sinking Fund was distributed and discussed. After a thorough study, a recommendation will be made to the Town Commissioners on the investment of the monies.

The Certificate of Deposit at Maryland National Bank will mature in September before the next meeting. It will be renewed at the best possible rate.

There was no further business, and the meeting was adjourned.

  
Roberta H. Marshall, Secretary



ST. MICHAELS UTILITIES COMMISSION

ADDITION TO SINKING FUND FOR 1983

Rentals Received for Fiscal Year Ending 6/30/83 \$230,000.00

Less Electric Costs:

July, 1982	\$2,671.60	
August	3,919.57	
September	3,097.75	
October	2,918.75	
November	3,385.49	
December	3,821.10	
January, 1983	3,650.18	
February	3,653.75	
March	3,462.52	
April	3,320.35	
May	3,292.41	
June	<u>3,020.63</u>	
		- <u>40,214.10</u>

\$189,785.90

Less Transfer to General Fund - 90,000.00

BALANCE TO BE TRANSFERRED TO SINKING FUND \$ 99,785.90

Sinking Fund Balance

as of 6/30/83	\$ 82,210.20
Less interest to Town	- <u>8,052.33</u>
	\$ 74,157.87
New Transfer	<u>99,785.90</u>

Total \$181,996.10

Present Disposition of Sinking Fund

2½ Year Savings Certificate	\$ 79,558.13	(Matures 12/8/85)
Interest Bearing Checking Account	2,652.07	
1983 Amount of Transfer	<u>99,785.90</u>	
	<u>\$181,996.10</u>	

Amount Available for Investment \$102,437.97

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SEPTEMBER 28, 1983

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, September 28, 1983. Members present were Alex Spencer, Ralph Simmons and Roberta Marshall. William A. Morse was unable to attend.

Mrs. Marshall reported that the Certificate of Deposit has been reinvested for 91 days at a rate of 8.9 percent. A check in the amount of \$2,000 will shortly be turned over to the Town.

Mr. Spencer reported that he has inspected the lines. He distributed a list of major improvements by Delmarva that showed the following items:

1. The 336.4 feeder between St. Michaels and Easton has been completed.
2. The submarine cable project at the new Miles River Bridge is completed.
3. Major switching on Route 33 feeder has been completed.
4. Three-phase voltage regulating on Route 370, Miles River Neck, has been installed. This will serve as a backup in case Bloomfield Substation has a major breakdown. All customers now being served out of Bloomfield Substation would be fed from Grace Street Substation in St. Michaels. There is ample capacity to switch loads in order to maintain service to St. Michaels customers.
5. We understand that money has been budgeted for completing the loop feed system in Martingham. This has been badly needed in order to firm up and provide more dependable service to the customers in the subdivision planned in 1984.
6. The Route 370/Miles River Neck feeder has been completely rebuilt.

Reservations will be made in advance for the luncheon meeting to be held with Delmarva personnel on October 6. Unless something pressing arises, that meeting will be designated as the regular October meeting.

The minutes of the August meeting were approved as read.

There was a lengthy discussion about the investment of the Sinking Fund. At the present time the fund is invested in two thirty-month savings certificates. These will mature in December

of 1985 and March of 1986. It is anticipated that sizeable amounts will be added to the sinking fund at the end of the fiscal years of 1984 and 1985, so a substantial amount will be available for investment by the time the certificates mature. It is hoped that all of the above amounts can be pooled by March of 1986 in order to look into suitable investments.

There was no further business, and the meeting was adjourned.

Roberta H. Marshall  
Roberta H. Marshall, Secretary

OCTOBER 6, 1983

Members of the St. Michaels Utilities Commission met with Delmarva Power personnel for the Annual Review on Thursday, October 6, 1983. Utilities members present were Ralph Simmons, Alex Spencer, and Roberta Marshall; the Delmarva representatives were Southern Division Vice President Wayne Lyons, General Manager of Resale Services Kenneth Jones, William Brittingham, who is in charge of metering for Delmarva's Southern Division, and the St. Michaels District Manager, Larry Wood.

The first topic of discussion was the light which will be installed at the intersection of Route 33 and the entrance to the Perry Cabin subdivision. It was noted that Perry Cabin Associates will pay any additional costs which are involved in installation of the light. Delmarva officials will work with the people from Perry Cabin when the time comes to install the light, and will keep the Utilities Commission informed. At this point, it has not been decided whether to install a metered light or one of the rental types.

The street lighting system in general was also discussed. Since the cost of electricity has gone higher than was originally anticipated, the Commissioners are interested in saving funds in any way possible. Mr. Lyons agreed to check out the street lighting system, and will submit suggestions if anything can be done to cut costs.

Copies of the "Review of Operations" prepared by Delmarva and distributed for the Commission's information was lightly discussed. Mr. Lyons informed the Commissioners that they will be glad to return if the Commissioners have any questions after they have studied the report.

There was no further business, and the meeting was adjourned.

  
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Roberta H. Marshall, Secretary





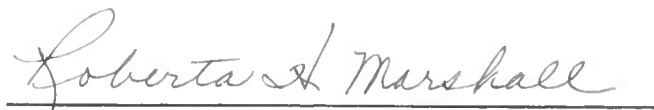
DECEMBER 1, 1983

The November meeting of the St. Michaels Utilities Commission was delayed until Thursday, December 1, in order to meet again with Delmarva personnel. All members of the Utilities Commission were present, as well as Larry Wood and Kenneth Jones from Delmarva.

A number of topics were discussed:

1. Larry Wood noted that Delmarva is ready to terminate the lease for the field office if an agreement can be reached with the Town Commissioners. The lease does not expire until October of 1984, but Delmarva no longer needs the building.
2. There was discussion about the old power plant building on Grace Street. Mr. Jones indicated that Delmarva may be interested in purchasing it.
3. The St. Michaels service territory was mentioned. A large farm has been sold in Miles River Neck which may be subdivided. Although the farm is in Easton's territory, it is very near the St. Michaels lines, and it is imperative that Delmarva be sure of the exact location of the St. Michaels franchise.
4. Delmarva has been looking into the Town street light situation. Mr. Jones reported that there are some few possibilities of lowering the bill, but there is no easy solution to the problem. They will continue to do the study, with a long range approach.
5. The Town's bill for pumping water has also been a considerable percentage of the annual bill for electricity. Delmarva will immediately look into the accounts for the two pumps, with a view toward the demand charges. It is possible that they may be able to advise the Town Engineer of ways to cut costs by changing usage practices.
6. Delmarva has not heard anything definite from Perry Cabin Associates about the street lighting in the Perry Cabin subdivision. When they last discussed the lights, Perry Cabin was considering a colonial-type light rather than the low-level sodium lights that were first considered. Delmarva will keep the Utilities Commissioners informed on the situation.

There was no further business, and the meeting was adjourned.

  
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Roberta H. Marshall, Secretary



DECEMBER 28, 1983

Due to the fact that there was no business before the Board, the December meeting of the St. Michaels Utilities Commission, scheduled for December 28, 1984, was cancelled.

*Roberta H. Marshall*

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Roberta H. Marshall, Secretary

